

JOINT SENATE-HOUSE REPUBLICAN LEADERSHIP

SENATOR DIRKSEN - REPRESENTATIVE HALLECK

September 18, 1963

STATEMENT BY REP. HALLECK: The White House has announced that President Kennedy will address the Nation tonight on his proposal to cut taxes on borrowed money while increasing spending by the Federal government. Obviously the President feels his personal appeal is necessary because of the established opposition of the American people to cutting taxes without cutting spending proposals, and by constantly adding new proposals.

We think it is important for the American people to realize that top leaders in Mr. Kennedy's own political party have the most serious doubts about the fiscal course he proposes. Within the past week Representative Wilbur Mills, Chairman of the tax-writing House Committee on Ways and Means, and Representative Clarence Cannon, Chairman of the House Appropriations Committee, have publicly made statements critical of the President's determination to increase Federal spending at a time when he is asking for a tax cut.

Mr. Mills, arguing that a tax cut is a better road to economic stimulation than increased spending, put it in a nutshell in behalf of the Congress when he said: "We want it understood that we don't intend to go along both roads at the same time." Mr. Cannon was even more specific when he said in a speech to the House:

"... We should take advantage of every opportunity to make every reduction in appropriations in every place possible. There is ample time in which to do it... there is no legitimate excuse not to do it... the President will have to submit lower budgets. The machinery is at hand. All we need is the will."

Now both of these Committee Chairmen are members of Mr. Kennedy's own political party and there are scores of other responsible Democrats in Congress who have the same doubts about Mr. Kennedy's spending.

Congress so far has passed only two major appropriations bills totalling \$7 billion dollars. Ten more appropriations bills representing an original \$83 billion dollars in budget requests await complete Congressional action. We agree with Representative Cannon that "there is ample time" in which to do the necessary cutting in spending to put a tax reduction on a fiscally honest basis.

Frankly, we find Mr. Kennedy's economic theories mystifying, particularly in view of his own curious legislative record when he was a member of Congress. In the Republican 80th Congress, when we initiated a \$5 billion dollar tax cut after cutting President Truman's budget - putting it in balance by cutting his spending, Mr. Kennedy, then a member of the House of Representatives, cast five votes on the legislation and he voted against a tax cut every single time.

Again, in the Republican 83rd Congress under President Eisenhower, when we initiated a \$7 billion dollar tax cut, after chopping \$10 billion dollars out of the budget inherited by the Eisenhower Administration from President Truman, Mr. Kennedy opposed the tax cut, announcing that although he was paired, "If I were at liberty to vote,

I would vote nay."

In considering President Kennedy's plea to the Nation, we think the American people should ask themselves how their President justifies his opposition on six occasions to tax cuts when spending had been drastically reduced, but now he favors a tax cut when spending has been skyrocketing.

STATEMENT BY SENATOR DIRKSEN: Good morning, ladies and gentlemen.

When President Kennedy broadcasts his appeal tonight to the Nation for support for a tax cut, we hope he'll lay ALL the cards on the table, including these:

1. While Mr. Kennedy is proposing the Federal government give the American people an \$11 billion dollar tax break with one hand, he is advocating immediately borrowing the money back from them with the other hand, to meet the increased cost of his skyrocketing programs which he refuses to cut.

As a result, Mr. Kennedy is further proposing that the national debt be increased in an amount approximating the size of the tax cut, or to put it in another way, we will be borrowing nearly \$11 billion dollars from our children so we can make it easier on ourselves while Mr. Kennedy goes on with increased spending. In short, Mr. Kennedy proposes to let the next generation hold the bag.

Is it any wonder that every sample of public opinion for a year now... including both the Gallup and the Harris polls... shows the American people do not favor a tax cut based on this kind of fiscal juggling. Obviously the President now knows this and that is why he is going to attempt to persuade the American people and public otherwise in his broadcast tonight.

There is a simple solution to Mr. Kennedy's dilemma and we Republicans have suggested it repeatedly. Call a halt to runaway spending! Just hold the line.

We Republicans favor a tax reduction. We have been the sponsors of the only two major tax reductions in modern times. We will vote for this proposed tax cut if Mr. Kennedy will join the members of Congress - Republicans and Democrats alike - in seeking a substantial reduction in planned outlays for existing Federal programs and those authorized but not yet started. Leading members of his own party in Congress favor it.

If Mr. Kennedy wants public support for a tax cut, if Mr. Kennedy wants Congressional support for a tax cut, then the President should actively help to cut spending now and he will get a tax reduction bill this year by a landslide vote.

QUESTION: Well, may I ask, the President hasn't got any money to spend except what you give him... why are you blaming him...

SENATOR DIRKSEN: Well, we blame he as well as his party, because it comes up in the budget, and that includes of course all the new programs that they're undertaking to initiate this year. We don't separate him from his party in that respect.

REP. HALLUCK: I'd like to make a little response to that. We started out in the House of Representatives with a comprehensive study to find out where we could cut the cost of government.

Now, what's happened? We cut the Post Office Department a little bit and the then Postmaster General, Mr. Day, he's not going to deliver the mail. We cut the Foreign Aid Bill a little - 10 or 12 percent - and I'm accused of being irresponsible and dangerously partisan. We cut the Defense Budget a little and I'm happy to see the Senate has gone along part way with us, but Secretary McNamara seems to indicate we've just ruined the defenses of the country.

I think it's fair to say in our efforts up here we Republicans particularly joined with some Democrats who are likewise concerned and have been trying to do something about run-a-way spending, but every step of the way we have met the resistance of President Kennedy and his Administration.

SENATOR DIRKSEN: I think you know as well as we do that the budget is prepared by the Departments under his direction, he has to approve the budget after the Budget Bureau experts sit down with him... and it never goes to the Printing Office and is submitted as a

printing document until such time as it has his approval, and then of course it's accompanied with the President's budget message. It's not difficult for the President to revise his own budget and to indicate holding back on this, or cutting back, or eliminating some of these new projects that ultimately will cost up to \$9 billion dollars. But it is his first responsibility and it certainly is his Party's responsibility ... but so far as the Congress is concerned, unless we the minority can secure sufficient votes for cuts in appropriations and in the administrative budget, then the blame and the responsibility must rest squarely on the President and on his Party.

QUESTION: The argument is often made that a sharp reduction would tend to apply the brakes to the economy and bring on a recession... would you reply to that.

SENATOR DIRKSEN: Well, why are they asking for a tax cut? They want a stimulus and they think because of the feed-back that is involved, which is certainly highly conjectural, to say the least, that that will get the economy moving forward again.

QUESTION: Mr. Halleck, what's the outlook in the House of Representatives ... action... on this tax bill? (Rest of question inaudible)

MR. HALLECK: Let me say this, you understand this bill will come under a closed rule, and with that I have no quarrel. I'm hoping that what we propose as a motion to recommit to be made in order as an amendment, because it's offered by a responsible segment of the House of Representatives. But whether that happens or not, I would assume that

the motion to recommit would be given to us.

Now, the motion to recommit has been under discussion on our side in various meetings, it's in the process of development... I rather suspect that this afternoon in testimony before the Rules Committee, Mr. John Byrnes of Wisconsin, our top man on Ways and Means, will be disclosing finally what the motion to recommit will be.

May I just say in general terms that it will move in the direction of fiscal responsibility and some control of spending that we have been talking about.

Now I would say there is a very good chance, I hope a very REAL chance, that that motion to recommit... because it will be in the best interests of the people of this country... would be adopted. If it is adopted, I would say that the prospects for passage of the tax reduction bill would be very much improved. If it is not adopted, I would say there would be very substantial continuing opposition to it on the Republican side because our position is not new found, we've made our record through the years (I have been here some 28) for tax reduction... in the Republican 80th and the Republican 83rd... and we're for tax reduction now, but we're NOT for the sort of tax reduction with other fiscal irresponsibility that now seems to prevail.

So I would say if the motion to recommit is not adopted, the passage of the bill could be in real jeopardy.

QUESTION: (Asks something about the motion to recommit...)

REP. HALLECK: Well, all I can say as I said just a moment ago... we have had this matter under discussion, it is still under

discussion. The exact detail of the motion to recommit will be disclosed, I would say, early this afternoon before the Rules Committee.

Again, may I say just in general terms that it would represent an effort to impose, first of all, on the Executive Branch of the government and then an opportunity to those of us who think some control of spending ought to be exerted to achieve that result as a condition precedent to a tax cut going into effect.

QUESTION: ... if you recommit a motion... will you oppose the bill, will there be a Party position to oppose the entire bill?

REP. HALLECK: I don't think in our Policy Committee decisions that we have reached that end. Let me just say this... that the Policy Committee is supporting the motion to recommit as it has so far been devised, I would say unanimously.

Now, if that prevails, as I indicated a moment ago, there will be many, many Republican votes for the bill. If it does not prevail, then I guess it's fair to say that probably everybody'd be on his own... I doubt if there would be an effort made, possibly might be, to state a affirmative, definite policy in respect to it, but I would say if it does not prevail, there would be a very substantial majority on the Republican side against the bill - not because we're against cutting taxes, because as I said a moment ago we have proved by our record that we're for tax reduction - but that we just don't believe that this tax reduction bill with the situation financially and fiscally that our government is in - would be the right thing to do.

QUESTION: (Inaudible)

REP. HALLECK: Is that addressed to Senator Dirksen or to me?

QUESTION: Senator Dirksen.

SENATOR DIRKSEN: Well, assuming that the House timetable prevails, we can take October 1, let us say, as a target when the bill comes to the Senate. It's pretty well agreed that the Finance Committee is going to take two weeks to take a good look at the bill... then comes the Hearing Period (that could be three weeks, it could be four weeks, it could be longer)... then it's necessary to take a few weeks to digest the testimony, and then comes the markup and that's always a rather sustained effort, that could take a couple, two or three weeks. So according to my own timetable you're getting pretty close to Christmas, but you've got an intervening problem. We've had two flings at the debt ceiling, as you know, and the last date was pegged at as November 30, so before that time there is going to have to be some action on the debt ceiling and I apprehend we're going to take a little more testimony than we did before, because this time the debt ceiling has to be projected to June 30 and there are going to be many sharp questions asked in connection with it.

Now you have one other intervening factor. I do not know just when we may expect a Civil Rights Bill from the House, but certainly if a Civil Rights Bill is motioned to the Senate Floor, it will immobilize the Senate Finance Committee to the extent that they cannot meet while the Senate is in session, and if perchance there should be longer sessions in the Senate, that simply means there is less working time for the Senate Finance Committee.

All those will conjoin, I think, to make Christmas a good guess before we really get around to do some action in the Senate on the tax bill.

QUESTION: Do you think Congress will stay here during Christmas week to pass it this year?

SENATOR DIRKSEN: Well, certainly, the Senate will have to stay here. The House, I must confess, has been somewhat more expeditious... their rules are conducted to expedition... and they might want to go off for a little recess, but I'm afraid the deliberative body at this end of the Capitol is going to have to stay on the job.

QUESTION: (Another question asked about Christmas week)

SENATOR DIRKSEN: Well, John, it's speculative, of course, how much time is devoted to each one of these activities that you have to go through, but generally speaking Christmas is still a pretty good guess.

QUESTION: Then might you delay.... next Congress?

SENATOR DIRKSEN: Well, I thought of that, May, and there is an answer to it, of course. You can continue to turn the clock back - like that clock in my office that runs backward - and so you might gain many days like that by continuing to keep that clock from getting to the hour of midnight...

QUESTION: You wouldn't be turning the calendar back, would you?

SENATOR DIRKSEN: Well, you could just turn the pages off the calendar...

QUESTION: (Inaudible)

REP. HALLECK: ... as it is presently devised, and again, may I say, I don't want to get into the detail until it's disposed by Mr. Byrnes after these further consultations. But it is broader than the original proposal that was offered in the Ways and Means Committee insofar as it would have application not only to the second stage but to the first stage.

QUESTION: ... will the vote on the treaty (?) come this week...

SENATOR DIRKSEN: I have grave doubts about it. I thought there was some hope that we could get a vote on at least one reservation before this week ran out. There is still a rather extended calendar of speakers who want to be heard and depending on how long these speeches are - some of which I understand run to 3 and 4 hours - you could conceivably utilize the entire week on speeches. But I'm hoping - and I might say and I think I'm at liberty to say - that early today I shall be talking with the Majority Leader in the belief that perhaps we can set under unanimous consent a limitation on reservations in the hope that if we don't get to them this week, we could start on them Monday...

QUESTION: What dollar amount would you like to see cut, let's say, in a \$98 billion-dollar budget?

SENATOR DIRKSEN: Well, any realist knows that you can't cut so deep as to immobilize the processes of government. I have no particular dollar amount in mind at the particular moment, but it would

not be too difficult, I think, to establish a target that would be at once reasonable and also fair.

QUESTION: (Inaudible)

SENATOR DIRKSEN: I didn't hear all of your question.

(LAUGHTER)

QUESTION: (Still inaudible)

SENATOR DIRKSEN: Well, first let me say, when I came to the House of Representatives, we had no amplification there, and I can appreciate how the people in the Gallery feel if they can't hear. Ultimately that was consummated. Now I presume there is a little pride about members of the Senate that they feel they can do without amplification, but it does take a pretty good robust set of bellows(?) to project your voice into the galleries. I don't know whether I've ever had trouble on that score or not, but I would certainly let no pride stand in the way so that every member can be heard by all those who do us the honor to come and visit our great deliberative body and listen in on the speeches and the debates.

QUESTION: Thank you.