

Majority of Congress Says 'Go Slow in Tax Cuts'

By CHARLES F. BARRETT
 WASHINGTON (AP) — The new Congress, although wisely eyeing a tax cut for the homefolks next year, seems to be more anxious to chop federal spending and balance the budget first.

The result would be only modest tax reductions, if any, before 1954. That's the prospect reflected in an Associated Press survey of incoming congressmen throughout the country.

The survey showed one thing for sure: On the touchy subject of taxes, congressmen's views are scattered in all directions.

Scores of lawmakers indicated they feel keenly a voters' protest against high taxes — a protest fanned by President-elect Eisenhower during the campaign. But Eisenhower hasn't taken his stand on any specific tax cuts yet. And the absence of cues from the new White House contributed to a lack of any overwhelming trend toward any single program among the 208 senators and representatives participating in the poll.

In the House, where tax bills must start, 83 lawmakers lined up more or less positively for tax cuts now. But 27 House members said tax

reductions now are unlikely or unwise, and 68 said the budget should be balanced before Congress starts chipping away at federal income. That adds up to 86 representatives — about 54 per cent of those taking a stand—who want to go slow, or not go at all, on revenue cuts.

The Senate was even more cautious. Only 10 senators took an outright stand for early tax cuts, while 12 stood up in opposition. And 18 senators—including several of the most influential—said let's balance the budget first and then see what can be done about cutting taxes.

Opinion was divided closely on what taxes should be reduced whenever Congress gets around to it. Among lawmakers mentioning specific types of reductions, 42 said they wanted to cut individual income taxes; 40 asked for cuts in excise (sales) taxes, and 39 wanted to reduce either income or excess profits taxes on corporations.

Many replies, 50 altogether, were

expressed in generalities which failed to indicate a leaning in any one direction. And 263 congressmen either could not be reached or declined to respond. The survey makes no attempt to forecast specific congressional action — it simply reflects the opinions of congressmen willing to state their positions.

Among the large number of congressmen who stressed balancing the budget first, many also looked warmly upon tax cuts. They said tax reductions could go hand in hand with promised budget trimming next year. Others thought tax cuts would have to wait until later.

Generally, more Democrats were inclined to oppose tax cuts now than Republicans—21 to 6 in the House and 7 to 5 in the Senate.

Despite today's scattered opinions, Congress will have to make up its mind on taxes pretty quickly. Tax increases piled on top of tax increases in the last two years of war in Korea automatically begin to expire next June 30, unless the lawmakers step in with a new program.

The schedule of tax declines under present laws:

Next June 30 — Excess profits taxes on business, bringing in about 2½ billion dollars annually, will be eliminated.

Dec. 31, 1953 — Individual income taxes will drop back to lower levels, cutting revenue by three billions annually. The drop will be from the present 22.2 per cent tax rate to 20 per cent on incomes of \$2,000 or less; from 66 per cent to 59 per cent on incomes of \$22,000 to \$26,000.

April 1, 1954 — Excise or sales taxes drop back by one billion, chiefly on alcoholic beverages, gasoline, cigarettes and sporting goods; corporation income taxes

decline on the same date by two billion annually.

Rep. Reed of New York, ranking Republican on the tax-writing House Ways and Means Committee, favors letting excess profits taxes, regular corporation income taxes and excise levies decline as scheduled under present laws.

Reed would advance relief for individuals to provide a little over a 3 per cent reduction in 1953, with another 5½ per cent cut in 1954. But he also has made it clear he feels "what happens to taxes depends largely on the amount of whittling we can do to the Truman budget."

Rep. Martin (R-Mass), unopposed for House speaker, says he favors reducing taxes without throwing the budget out of line. Rep. Halleck of Indiana, unopposed for Republican floor leader, said tax relief should follow spending cuts.

Rep. Scott (R-Pa), a close adviser of President-elect Eisenhower, replied to the survey: "The first requisite is a balanced budget. We must make the government financially sound and then think about cutting taxes."

On the Senate side, such prominent Republican members of the finance committee as Taft of Ohio, the Millican of Colorado and Martin of Pennsylvania indicated they want to trim spending before embarking on tax cuts. And Sen. Bridges of New Hampshire, a likely choice for GOP floor leader, has insisted on budget balancing before tax cuts.

Southern Democrats, who have teamed with Republicans in the past, also were strong for balancing the budget.

House Probes To Continue

WASHINGTON (AP) — Continuation of current House probes of the justice and Treasury departments in the next Congress was urged today by Republican leader Joseph W. Martin Jr. of Massachusetts.

Martin, who is unopposed for speakership of the House when Republicans take over on Jan. 3, said in an interview, however, that the incoming Congress should put emphasis on legislation rather than on investigations.

"The people want us to enact a constructive legislative program," he said, "and that should receive our first attention. I am sure there will be strong support for President-elect Eisenhower's program, both from Republicans and Democrats. I don't look for any trouble on that."

Martin was asked about reports the GOP Congress would start a wave of new investigations.

"I believe we should investigate those things that need investigating," he said. "Offhand I am in favor of continuing the present investigations of the Justice Department and the Treasury Department's Internal Revenue Bureau."

Those probes now are being made by House ways and means and judiciary subcommittees headed respectively by Rep. King (D-Calif.) and Chief (D-Ky.).

If the House orders the investigations continued in the new Congress, the committees will be directed by Republicans Kean of New Jersey and Keating of New York.

Ike Brother Heads Group

NEW YORK (AP) — Dr. Milton S. Eisenhower, president of Pennsylvania State College and brother of President-elect Dwight D. Eisenhower, has accepted the chairmanship of the newly formed American-Korean foundation.

The foundation is concentrating on relief and rehabilitation measures and will care for about 100,000 Korean war orphans.

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