

PERSONAL AND CONFIDENTIAL

October 11, 1940.

Dear Abe:

In accordance with our phone conversation last night, I am enclosing some material that I hope will be useful to you. This includes figures for Idaho and Utah on what the Federal Government has done for both States over and above what has been collected in taxation.

I notice in the press--and enclose a copy of a story in today's Washington Star--that Mr. Willkie, speaking in New England, has been telling those people up there, in effect, how unfair it is for the Government to tax them more than the amount they get back in Federal benefits. Apparently he has no understanding of the debtor-creditor areas in this country.

I am also enclosing a copy of the foreword which Harper's requested me to write for their book collecting my public papers, and a copy of the last public speech I made before The Economic Club of New York last May.

Out of this material I hope you can find what will be helpful to you.

Sincerely yours,

Honorable Abe Murdock,
House of Representatives,
Washington, D. C.

enclosures

 F.D.R.

October 11, 1940

FEDERAL EXPENDITURES AND RECEIPTS IN IDAHO AND UTAH
July 1, 1933-June 30, 1939

(In thousands of dollars)

	<u>Idaho</u>	<u>Utah</u>
<u>Receipts 1/</u>		
Corporation.....	5,734	9,313
Individual.....	2,935	5,857
Total income taxes.....	8,669	15,170
Miscellaneous internal revenue.....	5,681	17,649
Social security taxes.....	2,630	3,675
Total receipts.....	16,980	36,494
<u>Expenditures 2/</u>		
Agricultural Adjustment Program.....	27,714	10,780
Public roads.....	17,322	16,201
Civilian Conservation Corps.....	56,829	36,105
P.W.A. projects (excluding loans).....	10,588	8,995
Relief.....	51,563	59,483
Social security.....	5,739	6,791
Veterans Administration.....	12,955	11,643
All other.....	20,149	18,246
Total expenditures.....	202,859	168,244

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- 1/ Annual Reports of Commissioner of Internal Revenue, 1934-1939. The amounts of Federal taxes collected by States are not entirely indicative of the Federal tax burden of the respective States, since the taxes may eventually be borne by persons in other States.
- 2/ Office of Government Reports. Only Federal expenditures available on a State basis are included. Expenditures for national defense, interest payments, departmental expenditures, and some miscellaneous items are excluded. Loans by Federal agencies are also excluded.

October 11, 1940

FEDERAL EXPENDITURES AND RECEIPTS IN IDAHO AND UTAH
Fiscal Year 1939

(In thousands of dollars)

	<u>Idaho</u>	<u>Utah</u>
<u>Receipts 1/</u>		
Corporation.....	1,384	2,052
Individual.....	628	1,390
Total income taxes.....	<u>2,012</u>	<u>3,441</u>
Miscellaneous.....	1,096	4,557
Social security.....	1,122	1,617
Total receipts.....	<u>4,230</u>	<u>9,615</u>
<u>Expenditures 2/</u>		
Agricultural Adjustment Program.....	6,512	3,502
Public roads.....	2,214	2,319
Civilian Conservation Corps.....	7,796	4,833
P.W.A. projects (excluding loans).....	1,624	2,711
Relief.....	8,502	10,742
Social security.....	1,944	2,670
Veterans Administration.....	2,116	1,908
All other.....	5,928	4,198
Total expenditures.....	<u>36,636</u>	<u>32,883</u>

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The Washington Star, Friday, October 11, 1940.

NEW ENGLAND PAYS SPENDING BILL, WILKIE TELLS BAY STATES

Contrasts Benefits with Revenue Collections.

FALL RIVER, Mass., Oct. 11. — Opening his fight for the 17 electoral votes of Massachusetts, Wendell Willkie, Republican presidential nominee, told this community today that other sections of the country have profited from New Deal spending, at the expense of New England.

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Cites Spending Policy.

Mr. Willkie began his Fall River speech by declaring the New Deal does not believe in industrial expansion, but does believe in spending. Then he added:

"In that he has broken all records. By the time the New Deal goes out of office next January, it will have spent \$71,000,000,000, which is two-fifths of all the money spent by the United States Government since 1789.

"Let's look for a minute at how some of this money has been spent in various parts of our country. Up here in Massachusetts last year the New Deal expenditures amounted to \$33 per person. That is what they spent. But in that same year, the internal revenue collections of the Federal Government in Massachusetts amounted to \$57 for every man, woman and child. They collected in internal revenue taxes from you people of Massachusetts \$4 apiece more than they spent.

"Now, contrast this with what happened in some other States in the same year. In Alabama, the New Deal spent \$54 per capita and it collected in internal revenue taxes, \$5 per capita. In Arkansas, the New Deal spent last year \$40 per capita and the internal revenue collections were less than one-tenth of that. In Mississippi, per capita expenditures of the New Deal were \$41 and internal revenue tax collections were only \$3. That other \$38 that will be spent in Mississippi over and above taxes collected in Mississippi came out of your pockets here in Massachusetts.

"The policy of the New Deal has been divide and rule. It has pitted class against class and section against section. In spending your money it has favored other sections of the country at your expense. And it does this not to promote industrial production, but to promote political profit. And worst of all, it does this at a time when, as the third-term candidate said at Chickamauga a month ago, our essential need is absolute national unity."