1. Tentative character especially for fiscal 1946 (war expenditures might reasonably be estimated at $60 or $80 billion; FDR uses $70 billion.)

I. The war program

1. Phases

   A. Construction - now virtually completed

   B. Munitions, including ships - initial equipment over; now replenishing

   C. Pay, subsistence - will continue to rise: more at higher pay, turnover (mustering out pay)

2. Totals

3. Authorizations and appropriations well in advance

   7/1/42 - 6/30/45       6/30/46

   Total authorizations   392.3       449.7
   Expenditures........   288.8       358.8
   Balances..............  103.5       90.9

4. How the war has changed our economy
II. A possibility for fiscal 1946

Expenditures ...................... $83 billion
Net receipts ...................... 41.3 billion
Reduction in balance ............. 2 billion
Borrowing ........................ 40 billion
Federal Trust Funds ... $5 billion
Net .................................. 35 billion

cf. $65 billion in 1944 and estimated $51 billion in 1945.

III. Implications of message for the future

1. Debt management

A. Favor a policy of orderly but steady debt reduction.

Consistent with the objective of long-run economic policy.

B. But "mistakes in debt management and tax policy after the last war should not be repeated."

Doesn't identify the mistakes.

1919-30 yearly decrease of $845 million in the debt.

At this rate 3 centuries for $292 billion of debt.

2. Taxes

A major decline in war expenditures will make possible and desirable minor tax adjustments.
Don't tax the masses to repay financial institutions.

Tax large incomes to repay small holders.

3. Expenditures

A. Aftermath of the war

Veterans
Interest on debt
Tax refunds

B. Agriculture

a. Two-year price support

b. Long-run elimination of malnutrition and poverty

C. Social security, retirement, education

D. Public works

E. International financial programs

F. Demobilization and post-war full employment