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The task of preparing a government budget would be much simpler if we could rid ourselves of some of the misconceptions about taxes and the public treasury. The public treasury is not just a big chest of money to be dipped into to give everybody what he wants. And taxes are not a nuisance imposed upon the people to make their lives unhappy.

Taxes regarded realistically are the money the people spend for the services they want their government to render. The public treasury is the total of the money collected to be spent in rendering the services the people want.

A nation or a state is like the individual—it is never rich enough to supply all its wants at one time. Like the individual, therefore, it must be selective. It must determine what its needs are and arrange to satisfy them in the light of the amount of money it has to spend for them. These decisions are difficult for the individual; they are infinitely more difficult for the state. But they must be made, and this is one of the toughest problems confronting those of us who are responsible for the preparation of government budgets.

What are the people's needs? How much can they afford to spend to satisfy them?

In my reading recently, I came across a statement made by the Budget Director of the United States. He said:

“I think we ought to face up to the fact that, if we ever accept the principle that the sum of all demands against the treasury—by government agencies or by the people across the country—constitutes a requirement that we must meet, then we will go broke just as surely as you would go broke, personally, if you tried to meet all the desires of the members of your family.”

The wisdom of that statement is apparent to anyone who has ever labored over a governmental budget. Demands for services of all types and varieties are presented every year to the executives and lawmakers who must pass judgment upon them in the preparation of a budget. Some of them are legitimate, a few of them not. Some of them can be postponed and some of them must be met immediately. Some of them must be met in full, some can be scaled down. But as the Federal Budget