

# 1 TO 3 BILLION RELIEF DEFICIT IS FORECAST BY PRESIDENT IN ANNUAL BUDGET MESSAGE

National Debt to Be 31 Billion, He Says; Proposes Balanced Figures for Regular Expenditures During 1937.

(Continued From Page One)

the major public works program of the future had been shifted from the emergency to the regular category of the Federal establishment. That means Mr. Roosevelt believes time has proved those agencies to be desirable as permanent parts of government. Coincidentally, the President launched the nation upon a policy of spending approximately \$500,000,000 annually on a planned public works program designed to remake the face of nature.

Mr. Roosevelt asked Congress to appropriate \$405,000,000 to be spent for that purpose in the next fiscal year. The money will be spent on rivers and harbors, roads, power dams and reclamation. He announced there would be no further appropriations for public works loans and grants to cities and states.

**WPA to Get Relief Funds**

Public Works Administrator Harold L. Ickes, however, will continue to circulate his revolving loan fund. It consists of sums previously appropriated and lent and subsequently repaid to be lent elsewhere. The \$405,000,000 does not include funds for further housing projects.

Whatever sum is appropriated for relief by this Congress will be spent largely by the Works Progress Administration.

Mr. Roosevelt reported:

1. Government credit is at its highest point.
2. Government finances are in best condition in seven years.
3. Private industrial employment shows substantial increase.

**No New Taxes Necessary**

No new taxes are necessary under present New Deal policies.

The message called upon Congress to continue the New Deal program. It promised that the nation may confidently look forward to continued reduction of deficits, continued increase in tax receipts under existing schedules and to steadily diminishing expenditures for relief.

**Asks Potato Act Changed**

Mr. Roosevelt recommended:

1. Repeat of the AAA amendment earmarking 30 per cent of customs receipts to encourage exportation and consumption of agricultural products.
2. Amendment of the Potato Control Act from which it was stated no appreciable revenue was expected.
3. Legislation to permit appropriations to be transferred among projects within any single department to achieve flexibility.
4. Legislation to bring every agency of government, including government-owned or controlled corporations, under control of the director of the budget.

**Plays Revenue Earmarking**

The President complained that the AAA custom receipt amendment, calculated to divert \$90,000,000 to \$100,000,000 from the general Treasury fund, had been enacted without consideration or debate.

He said the practice violated sound administrative principles and established an undesirable precedent in earmarking revenue. So far the only use made of the money so diverted has been to pay cotton farmers the difference between the daily cotton price and 12 cents a pound.

The proposed Potato Act amendment would exempt a purchaser of bootleg potatoes from prosecution and would increase the tax exemption of individual producer's quota from five to 50 bushels.

Although the budget forecast the seventh successive year of Federal deficits, Mr. Roosevelt emphasized that deficits steadily were diminishing while Federal revenue increased under the New Deal.

**Predicts Drop in Deficits**

"There is no doubt," he said, "of the fundamental soundness of the policy of 1933. If we proceed along the path we have followed and with the results attained up to the present time we shall continue our successful progress during the coming years."

"Stated more conservatively, we can look forward today to a continued reduction of deficits, to increased tax receipts and to declining expenditures for the needy unemployed."

"The item for relief remains in balance."

Mr. Roosevelt estimated Federal income in the next fiscal year at \$5,654,000,000, the second largest revenue in American history. He estimated expenditures for all regular government activities, including AAA, CCC and FWA at \$5,069,000,000 plus \$580,000,000 for statutory debt retirement. He said he would have a \$500,000,000 surplus "after having paid for all of the regular expenditures of the government plus debt retirement."

**Expects to Spend Balances**

Out of the unexpended relief and recovery balances, Mr. Roosevelt expects to spend \$1,103,000,000 during the next fiscal year. This sum represents funds already appropriated or allocated out of the 1933 and 1935 FWA and work-relief appropriations, but which will not be spent until after July 1 when the new fiscal year begins.

Subtracting the \$5,000,000 regular expenditures surplus from the contemplated \$1,103,000,000 of recovery and relief spending, Mr. Roosevelt arrived at the minimum gross deficit for the next fiscal year—\$1,098,000,000. If the deficit is held to that sum it will be \$2,136,000,000 less than the estimated gross deficit for the current fiscal year which will end June 30.

Mr. Roosevelt cited the declining New Deal deficits:

- 1934—\$3,989,000,000.
- 1935—\$3,575,000,000.
- 1936—\$3,234,000,000 (estimate).
- 1937—\$1,098,000,000 (estimated and prospective additional relief appropriations.)

**Gross Deficit on Decrease**

"Therefore," he said, "it is clear: First, that since June 30, 1934, the gross deficit of the government shows a steady decrease during the fiscal years 1935 and 1936."

"Second, that if work-relief appropriations by this session of the

Congress were made up of a total of \$2,136,000,000, the total gross deficit for the fiscal year 1937 would not exceed that of 1936, which was the lowest gross deficit of the last three years.

"Therefore, it follows that by whatever amount the appropriation for work-relief at this session is less than \$2,136,000,000, the gross deficit for 1937 will be less than the deficit for 1936 by the same amount."

"I do not anticipate that the need for additional relief funds will be as great as that sum."

**Formal Estimate Difficult**

Mr. Roosevelt said it would be "difficult" to make a formal budget estimate now of the sum which will be necessary for work-relief in the fiscal year beginning July 1. He explained that the New Deal had only "too recently reached our goal of putting 3,500,000 people at work; and the beneficial effects from this program and from increasing expenditures on public works can not be foretold, as accurately today as it can two months from now."

"I shall transmit such estimates," Mr. Roosevelt continued, "with far greater knowledge and, therefore, with greater accuracy in sufficient time before the adjournment of this session to give the Congress full opportunity to examine into the subject and to make necessary appropriations."

The budget message generally followed the trend indicated last September when the Treasury revised its estimates of the previous January to show that expenditures were slowing and Federal revenue was continuing to increase. Mr. Roosevelt emphasized that there was "a substantial decrease in the spread between income and outgo" reflected in moderate estimates of the prospective national debt during the next 18 months.

**Present Rates Adequate**

"The state of national recovery is such," said Mr. Roosevelt, "that receipts from prevailing tax sources on the basis of present rates appear adequate for financing the ordinary operations of the government in 1937, including service on the public debt. No new taxes are proposed."

The President explained that the increased income tax and similar revenue should be attributed largely to the old tax rates prevailing before personal and corporate taxes and the estate tax were raised last session.

He said revenue under the higher schedules, applying only to larger incomes and fortunes, would produce but \$222,000,000 of the estimated 1937 revenue. Mr. Roosevelt attributed swelling revenue to increased earning power and profits fostered by his recovery and relief policies.

**Income Tax to Gain**

Typical of improving Treasury conditions were the income tax which produced \$1,099,000,000 in 1935 compared with \$1,942,000,000 expected during the next fiscal year; the alcoholic beverage tax, which is estimated to hit a record high of \$550,000,000 this year compared with \$411,026,000 in the 1935 fiscal year; and tobacco taxes which broke all records with \$44,000,000 more revenue than in any previous year.

Expenses also are mounting, notably the charge for war veterans' pensions and benefits which will be \$700,000,000 in the next fiscal year compared with \$605,573,000 in the fiscal year ended last June 30.

The current fiscal year data reflected improved business conditions in forecast tax receipts which will aggregate \$419,000,000 more than the Treasury expected when original estimates were compiled a year ago.

**New Sources Tapped**

Continuing the favorable picture of the 1936 fiscal year as of today compared with a year ago, Mr. Roosevelt said the New Deal had spent \$875,000,000 less than the \$8,520,000,000 which had been scheduled for disbursement during that period. Most of the decrease represented a lag of \$738,000,000 in recovery and relief expenditures. The gross deficit for the current fiscal year, instead of aggregating \$4,529,000,000 as Mr. Roosevelt expected, has shrunk to a prospective deficit of \$3,234,000,000.

The President emphasized that the gross deficit of \$3,234,000,000, by year while receipts, expenditures and the public debt continue to rise he predicted that, ultimately, the ascending receipts and descending expenditures lines would meet and cross, establishing a balanced budget in all departments of Federal spending.

The next-to-record annual income expected by Mr. Roosevelt in the 1937 fiscal year will be achieved with the aid of three new tax sources tapped by the last Congress: Social security payments, expected to aggregate \$433,200,000; bituminous coal conservation tax receipts, \$12,300,000; and tax contributions under the railroad pension act, \$101,600,000.

**CCC DISTRICT CHANGED**

**Reorganization Necessitated by Disbandment of 7 Companies.**

Reorganization of the Fort Benjamin Harrison CCC District into seven sectors as necessitated by disbandment of seven Indiana CCC companies, was announced today by the district commander, Brig. Gen. W. K. Naylor, through his executive officer, Lieut. Col. Clifford Blumel.

Workers in the seven disbanded Indiana companies will be transferred to the 43 remaining companies. The change at the Fort Harrison district will be effective Jan. 16.

**Koran Temple to Meet**

Business meeting of the Koran Temple No. 30, Daughters of the Nile, is to be held at 8 Wednesday night in the Lincoln Hotel. Mrs. H. Uhl is to preside. Officers are to be elected.

'TO LEAD US BACK . . . INTO THE SAME OLD DREARY STREET'



## FAIRBANKS CO. TO EMPLOY 500

\$250,000 Yearly Pay Roll Is Seen in Reopening of City Plant.

(Continued From Page One)

until the Indianapolis plant is ready, it was announced. Mr. Kiddoo and W. Paul Jones, executive vice president of the subsidiary credited members of the industrial committee of the Indianapolis Chamber of Commerce, with convincing them of the advisability of reoccupying the plant.

Officials inspected the factory last week and conferred with Gov. McNutt and the State Tax Board on tax questions.

The subsidiary was organized two years ago to manufacture home appliances. Rapid growth required that additional manufacturing facilities be obtained, it was said.

Mayor Kern and George S. Olive, Chamber of Commerce president, expressed enthusiasm over the company's decision. They promised sincere co-operation of city and civic officials.

Possibility that the corporation might find the Indianapolis manufacturing scene so much to its advantage that future expansion might take in 18 acres of land directly across from the plant on Northwest corner of 500 feet of city block officials. The tract formerly was the site of the Marion County workhouse. Between 100 and 175 experienced workmen from the Chicago plant will be brought to Indianapolis, it was said.

The company was assured co-operation today in a resolution adopted by Marion County Commissioners. The resolution is interpreted to mean that there will not be a recurrence of difficulty over use of a spur track which is said to have caused the company to cease operation of a previous enterprise.

Co-operation "in every reasonable way to make your enterprise a success" is assured by the resolution.

## COUNCIL WILL GET ANTI-DUMPING BILL

Halts Dropping Refuse on Stream Banks.

Penalties for dumping trash, junk or debris of any sort in city streams are to be incorporated in a city ordinance to be introduced to the City Council tonight, Clyde Baker, assistant city attorney, said today.

The ordinance is to be a codification of conflicting regulations now in force, with an added ban on dumping within 500 feet of any boulevard. Permits will have to be obtained from the Health Board or Park Board.

Reorganization of the council is to take place tonight. Edward B. Raub is president and Dr. Silas J. Carr is vice president. Ten ordinances are pending from 1935. They include the tow-in, anti-picketing and taxicab measures.

**GETS SHARE IN ESTATE**

Charitable Institution Provided for by Self-Slain Physician.

**Times Special**  
FORT WAYNE, Ind., Jan. 6.—The Ancillii Dimini Sisters, Indiana charitable institution, is among beneficiaries of a \$110,000 estate left by the late Dr. Maurice I. Rosenthal. Other beneficiaries include a brother, Dr. J. Milton Rosenthal, and a nephew, Dr. Maurice L. Lohman. Dr. Rosenthal, a widely-known cancer technician, committed suicide by shooting himself at his home.

**START NEW BUILDINGS**

Indiana University Campus Marked With Steam Shovels, Tractors.

**By United Press**  
BLOOMINGTON, Ind., Jan. 6.—Steam shovels and tractors greeted Indiana University students returning to the campus today from a two weeks' Christmas vacation. Excavations for foundations of four new buildings have been started and a tunnel connecting the power plant with the new Administration Building is being dug.

## Gee Whiz Man

Albert Harper went to jail today because he kept telling people he was a Federal man and pulling policemen's neckties and eating his taxi driver's sandwich.

Harper yesterday hailed a taxi and inviting his driver into a restaurant ordered him an egg sandwich and then ate half of it. After drinking a pint of whiskey he got out of the cab, climbed into a police car and got familiar with the officers, pulling their ties and jerking their coats and telling them he was a Federal man, they say.

So they took him to jail. Today in Municipal Court he was fined \$5 and costs. The taxi driver wants \$3.

## FINES ASSESSED LIQUOR DEALERS

Two Stores Charged With Unstamped Wine Sales.

Penalties of \$100 each were imposed today by the Indiana Alcohol Beverage Commission on Great Atlantic and Pacific Tea Co. stores at Auburn and Butler for sales of unstamped wine.

The wine, delivered to the stores from Toledo, O., bore Ohio tax stamps, but no Indiana stamps.

A store of the same company at Bloomington was refused renewal of a beer permit, sale of more than two cases to one purchaser having been shown. The store was cited to show cause on Jan. 17 why its wine permit should not be revoked. Order was based on opinion of John L. Downing, commission attorney. Sale of wine could not be permitted in the absence of a beer license.

Other commission action included Harvey Matthews, operating the Yellow Banks Hotel, Lake Webster, was ordered to show cause Jan. 16 why beer permit, issued to another person, but which he is using, should not be revoked.

C. W. Stepp, Goshen, to show cause Jan. 16 why beer carrying out permit should not be revoked on grounds of alleged drinking on premises.

Blaine Leconil, Hammond, to show cause Jan. 20 why license should not be revoked because of alleged sale of unstamped liquor.

**FUTURE FARMERS OF STATE MEET JAN. 16**

Indiana Chapters to Send Members to Purdue Convention.

**By United Press**  
LAFAYETTE, Ind., Jan. 6.—The convention of the Indiana Association of Future Farmers of America is to be held at Purdue University, Jan. 16 to 18, in conjunction with the Annual Agricultural Conference.

The association has 46 chapters in the state, with each expected to send two delegates to the convention.

**KOKOMO HAS BALANCE**

Gain in Tax Receipts Leaves \$20,000 to Start New Year.

**Times Special**  
KOKOMO, Ind., Jan. 6.—Increased tax receipts during 1935 left the City of Kokomo a balance of almost \$20,000 to start the current year. City Clerk Mel Good announced today. Due, however to a salary restoration for both fire and policemen, amounting to \$17,000, the City Council is expected to meet soon to authorize a tax warrant of \$60,000.

## PARKER TO AID PLEA OF BRUNO

Detective Expected to Give Testimony at Pardon Board Hearing.

**By United Press**

TRENTON, N. J., Jan. 6.—Ellis Parker, nationally famous detective who believes Bruno Richard Hauptmann innocent of the murder of Charles A. Lindbergh Jr., probably will be a witness when the Court of Pardons hears Hauptmann's appeal from a death sentence.

Mr. Parker conferred yesterday in Flemington with C. Lloyd Fisher, chief of Hauptmann's counsel. Mr. Fisher later met Frederick A. Pope of Somerville, his associate.

Mr. Fisher's meeting with Mr. Parker gave new substance to assertions by Hauptmann's attorney that they will confront the Court of Pardons with new evidence justifying at least a delay of Hauptmann's death.

The Court of Pardons is expected to meet Wednesday. Unless it orders a reprieve, Hauptmann probably will be electrocuted the night of Jan. 14, eight days away.

Mr. Fisher said that he was "confident" the Court of Pardons would order Hauptmann's death at least delayed as soon as it hears his new evidence.

## JUDGE BAKER DENIES GARDNER FREEDOM

Murder Charges Are Pending in Boone Court.

Criminal Judge Frank P. Baker today refused to abide by a Marion County Grand Jury recommendation for the discharge of Frank C. Gardner, Spencer Hotel cafe operator, charged with the murder of Thomas Sargent, Civic Theater actor.

Judge Baker informed Gardner that first and second degree murder charges still are pending in Boone Circuit Court, Lebanon, where case was taken on a venue change. Defense counsel has a file a motion to quash the indictments, but it has not yet been ruled upon.

The motion charges the indictment was returned by a grand jury on which no women members served. Shortly after the death of Sargent, Judge Baker released Gardner on a \$5000 bond, with the statement that he believed the charge should have been manslaughter instead of murder. Gardner still is at liberty under the same bond.

Mr. Sargent died of a skull fracture said to have been inflicted during a fight in the cafe.

**ANDERSON IS TO REVIVE ITS COMMUNITY CHEST**

Need Felt for Unified Medium for Charitable Work.

**Times Special**  
ANDERSON, Ind., Jan. 6.—Discontinued for more than two years, a Community Chest organization is to be reorganized here soon, sponsors announced today.

Most of 11 co-operating charitable agencies already have ratified a constitution and by-laws for the revived organization, according to Dean Russell Olt, president of the Anderson Council of Social Agencies. As soon as all have approved the plan a meeting is to be called to elect six of 13 directors.

Need of a unified medium for effective charitable work was agreed upon more than a month ago when Chamber of Commerce representatives met with committeemen from each of the participating groups.

## ANDERSON ROAD DETOUR TO BE REMOVED SOON

Highway Should Be Ready in Two Weeks, State Board Says.

Lifting of the detour on Road 67 between Indianapolis and Anderson is promised within two weeks by the State Highway Commission.

Nineteen detours, the majority of which are scheduled to remain during the winter months, are announced in the highway commission's weekly bulletin. They include:

- Road 1—Detour over city streets in Hagerstown.
- Road 5—Detour over city streets in Huntington.
- Road 9—Drive carefully from junction with Road 67 south of Pendleton to about three miles south of junction Road 235 on account of shoulder and bridge construction.
- Road 15—Closed between Wabash and Road 114, detour marked over Roads 13, 213 and 114.
- Road 36—Closed between Indianapolis and Pendleton, detour over U. S. Road 40 to Greenfield and Roads 9 and 45, drive carefully from junction with Roads 9 and 45 north to where 36 turns east on account of shoulder construction.
- Road 37—Detour in Pool over city streets.
- Road 39—Detour in Delphi and south is two miles over city streets and narrow gravel roads.
- Road 40—Traffic drive carefully past construction forces between Cambridge City and East Germantown; two-lane traffic through bridge east of Cambridge City.
- Road 41—Drive slowly on account of men working one mile north of White River, north of Hazelton, closed from Road 33 to U. S. Road 30, car detour 19 miles starting at Cook over county concrete road to Crown Point, then over Road 33 and U. S. Road 30, then over concrete road to Crown Point, then Road 2 to Lowell and north over county gravel road to Crown Point, then Road 33 and U. S. Road 30.
- Road 43—Detour from a point just south of Westville to Michigan City is 14 miles over United States Road 6, county concrete and bituminous gravel road.
- Road 45—Detour from Logansport to Road 38 over county gravel roads on account of bridge out.
- Road 50—Drive carefully west of Cook north to settlement of bridge run-around north of Aurora.
- Road 52—Closed between Indianapolis and Anderson, detour marked over Road 13 to Noblesville and Road 32 to Anderson.
- Road 115—Closed between U. S. Road 24 and Road 13, detour marked over U. S. Road 24 and Road 13, 213 and 114.
- Road 234—Detour five miles from junction with U. S. Road 41, north to east over U. S. Road 41 and county gravel roads.
- Road 236—Detour two and nine-tenths miles just east of junction with Roads 67 and 236 is over county paved road and Road 67.

## OFFICIAL WEATHER

United States Weather Bureau

Jan. 6, 1936

7 a. m. . . . . 7:07 | Sunset . . . . . 4:35

TEMPERATURE

Jan. 6, 1936

7 a. m. . . . . 30

8 a. m. . . . . 31

9 a. m. . . . . 32

10 a. m. . . . . 33

11 a. m. . . . . 34

12 (Noon) . . . . . 35

1 p. m. . . . . 36

2 p. m. . . . . 37

3 p. m. . . . . 38

4 p. m. . . . . 39

5 p. m. . . . . 40

6 p. m. . . . . 41

7 p. m. . . . . 42

8 p. m. . . . . 43

9 p. m. . . . . 44

10 p. m. . . . . 45

11 p. m. . . . . 46

12 (Midnight) . . . . . 47

1 p. m. . . . . 48

2 p. m. . . . . 49

3 p. m. . . . . 50

4 p. m. . . . . 51

5 p. m. . . . . 52

6 p. m. . . . . 53

7 p. m. . . . . 54

8 p. m. . . . . 55

9 p. m. . . . . 56

10 p. m. . . . . 57

11 p. m. . . . . 58

12 (Midnight) . . . . . 59

1 p. m. . . . . 60

2 p. m. . . . . 61

3 p. m. . . . . 62

4 p. m. . . . . 63

5 p. m. . . . . 64

6 p. m. . . . . 65

7 p. m. . . . . 66

8 p. m. . . . . 67

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10 p. m. . . . . 69

11 p. m. . . . . 70

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