

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.

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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

"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 \$22,000,000 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 \$554,800,000 next 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 \$700,058,000 in the next fiscal year compared with \$605,572,000 in the fiscal year ended last June 30.

The current fiscal year date 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.

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 concisely, 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. Without that item the budget is in balance."

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

Expects to Spend Balances

Out of the unexpected relief and recovery balances, Mr. Roosevelt expects to spend \$1,103,000,000 during the next fiscal year. This represents funds already obligated or allocated out of the 1933 and 1935 PWA and works-relief appropriations, but which will not be spent until after July 1 when the new railroad pension act. \$101,000,000, takes effect.

CCC DISTRICT CHANGED

Reorganization necessitated by disbandment of 7 companies.

Reorganization of the Fort Benjamian 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 Bluelmer.

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. Mrs. Hazel Uhl is to preside. Officers are to be elected.

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

THE INDIANAPOLIS TIMES

'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.

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Present Rates Adequate

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START NEW BUILDINGS

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GETS SHARE IN ESTATE

Charitable Institution Provided for by Self-Slain Physician.

(Times Special)

FORTE WAYNE, Ind., Jan. 6.—The Ancilli Dimini Sisters, a 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.

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.

ACT NOW

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

(Times Special)

KOKOMO, Ind., Jan. 6.—The 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 police, amounting to \$17,000, the City Council is expected to meet soon to authorize a tax warrant of \$60,000.

Mr. Roosevelt cited the declining New Deal deficits:

1934—\$3,980,000,000.
1935—\$3,575,000,000.
1936—\$3,234,000,000 (estimate).
1937—\$1,098,000,000 (estimated and minus 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.

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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 an-

nounced in the highway commis-

sion's weekly bulletin. They in-

clude:

Road 1—Detour over city streets in Hagerstown.

Road 5—Detour over city streets in Huntington.

Road 3—Drive carefully from junction with Road 67 north to where 30 turns east on account of shoulder and bridge construction.

Road 37—Detour in Paoli over city streets.

Road 59—Detour in Delphi and south is two miles over city streets and narrow gravel roads.

U. S. Road 36—Closed between Indianapolis and Pendleton, detour over S. Road 40 to Greenfield. Roads 9 and 67, drive carefully from junction with Road 67 north to where 30 turns east on account of shoulder and bridge construction.

Road 37—Detour in Paoli over city streets.

Road 59—Detour between Indianapolis and Pendleton, detour over S. Road 40 to Greenfield. Roads 9 and 67, drive carefully from junction with Road 67 north to where 30 turns east on account of shoulder and bridge construction.

Road 41—Drive slowly on account of men working one mile north of White River north of Hazleton; closed from County road 30 to S. Road 40 over county roads starting at Coal Creek over county concrete road to Coal Creek Point, then over Road 41 to Road 40 and truck direct 22 miles from Hazleton with Road 2 to Lowell and north over county concrete road to Coal Creek Point, then Road 53 and U. S. Road 30.

Road 43—Detour from Indianapolis between Indianapolis and Anderson, detour marked over S. Road 40 to Greenfield. Roads 9 and 67, drive carefully west of bridge between Indianapolis and Anderson, detour marked over S. Road 40 to Greenfield.

Road 45—Detour from Logoset to Indianapolis between Indianapolis and Anderson, detour marked over S. Road 40 to Greenfield.

Road 46—Detour about one mile from New Albany west over city streets and Road 133.

Road 67—Detour over city streets in Indianapolis between Indianapolis and Anderson, detour marked over S. Road 40 to Greenfield.

Road 115—Closed between U. S. Road 40 and U. S. Road 41, between U. S. Road 24 and Roads 13, 213 and 114.

Road 234—Detour five miles from junction with U. S. Road 41 north and east over county paved road and Road 67.

Road 236—Detour two and nine-tenths miles east of junction with Roads 67 and 234 is over county paved road and Road 67.

Road 24—Detour from Indianapolis between Indianapolis and Anderson, detour marked over S. Road 40 to Greenfield.

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