

Highlights of Roosevelt Message on the Budget

(Continued From Page One)

WAR COSTS

"THE TOTAL war program . . . for the fiscal years 1941 through 1946, will total 450 billion dollars."

FOREIGN AID

"WE SHALL continue to provide lend-lease, and our allies to provide reciprocal lend-lease, to the full extent necessary to win the war. Lend-lease has been and will be an instrument of war; it will be liquidated with the end of the war. But when the war draws to a close in any theater, it may become urgently necessary for us to assist in relieving distress in the liberated areas."

AFTERMATH-OF-WAR

"TOTAL EXPENDITURES for (war veterans, interest on the public debt, and tax refunds) are increasing from 1.6 billion dollars in 1939 to an estimated 7.2 billion dollars in the current fiscal year, and will probably amount to 8.8 billion dollars in the next fiscal year. This increase arises directly out of the war. The 1946 total is larger than the whole federal budget five years ago."

"The number of veterans of the present war will increase until all full tide veterans will constitute one-tenth of the population and almost one-fourth of the labor force."

AGRICULTURE

"... WE MUST develop a program to eliminate malnutrition and rural poverty. . . . Farmers and the nation as a whole must be protected against heavy fluctuations in agricultural prices and income, and this must be accomplished without the accumulation of unmanageable surpluses. So long as a large number of people have an inadequate diet, we cannot have a true surplus of agricultural production. We can have only too much of the wrong things."

SOCIAL SECURITY

"I HOPE that the congress will give early consideration to extension and improvement of our social security system and will re-examine the financial basis of the program."

PUBLIC WORKS

"I RECOMMEND . . . appropriations for planning of public works which the congress has already authorized. We must continue to stock up a shelf of meritorious construction and development projects to be undertaken as manpower and material become available."

GENERAL GOVERNMENT

"APPROPRIATIONS for other than direct war or war-related activities have been reduced to rock-bottom. When the war situation permits a reduction in the war program, it will also be possible to reduce war activities of the civil departments."

TAXES

"WARTIME TAXES must be maintained as long as large-scale war expenditures are necessary. There is no justification for tax reductions as long as we are engaged in a major war. When a favorable development of the war allows a major decline in war expenditures, minor tax adjustments will become possible and desirable."

THE PUBLIC DEBT

(He said it would rise to \$292 billion by June 30, 1946.)
"I FAVOR a policy of orderly but steady debt reduction, consistent with the objectives of long-run economy policy. The mistakes in debt management and tax policy after the last war should not be repeated."

RECONVERSION

"AS LONG as we are at war—at war against two powerful enemies or against only one of them—we will give unqualified priority to all war production and to all manpower needs of war. Nevertheless, some reconversion of war industries may become possible, dependent on the progress of the war."

The Human Side—"I am particularly concerned over the fact that broad categories of workers are not covered by present legislation and that present standards for unemployment compensation are not adequate in many states. . . . A strong, integrated system of public employment offices is a basic necessity. . . . We should provide assistance for travel and retraining of war workers. We must also see to it that our administrative machinery for the adjustment of labor disputes is ready for the strains of the reconversion period."

The Material Side—"Should also be conducted with a view toward the long-range objectives of economy policy. Surplus property disposal should contribute to filling the needs of production, domestic and foreign. . . . Every effort should be made to achieve full civilian use of plants built for war purposes when they are no longer needed for war production and to facilitate their rapid transfer to private industry for productive use."

INTERNATIONAL FINANCE

"AS THE war progresses, we must hasten our plans to secure worldwide economic co-operation in both the transition period and the post-war period. We have learned that just as the United States cannot afford to be isolationist in its political philosophy, neither can it stand the malignant effects of economic isolationism."

ECONOMIC CONTROLS

"HOLDING THE line on prices and wages has prevented, and is still preventing, inflationary developments. . . . It will be necessary to retain the machinery for allocation and price controls as long as certain materials and finished goods are in short supply."

DEMobilIZATION

"LARGE-SCALE demobilization can hardly be expected to begin during the period covered in this budget. Nevertheless, as we continue to mobilize for a long, hard war, we must under no circumstance be caught unprepared for peace."

FULL EMPLOYMENT

"... BEFORE LONG there may be 60 million men and women to be employed. . . . Manifestly, full-employment in peace time can be assured only when the reduction in war demand is approximately offset by additional peacetime demand from the millions of consumers, businesses and farmers, and by federal, state, and local governments."

"And that means that consumers' expenditures and business investments must be increased by about 50 per cent, measured in constant prices, above the level of the year 1939 if full employment is to be provided by private enterprise."

"It is the responsibility of business enterprise to translate market opportunities into employment and production."
"It is the responsibility of the government to hold open the door of opportunity and to assure sustained markets. Then and only then can free enterprise provide jobs."

WHAT WE MUST DO

"WE MUST develop the human standards and material resources of the nation, which in turn will tend to increase our productivity and most effectively support business expansion and employment."

"Our program should include provision for extended social security, including medical care; for better education, public health and nutrition for the improvement of our homes, cities, and farms; and for the development of transportation facilities and river valleys."

"We must plan now so that these programs can become effective when manpower and material are available."

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The five-year-old fox-terrier, above, aptly named Jack, will get plenty of just that, barring legal difficulties. His former owner, the late Mrs. Margaret Myers, of Detroit, made him sole heir to an estate estimated at \$20,000. Her handwritten will also provided that "whoever takes care of him at my home shall have free rent."

President Sees Need for 60,000,000 Post-War Jobs

By SANDOR S. KLEIN
United Press Staff Correspondent
WASHINGTON, Jan. 9 (U. P.)—

President Roosevelt, reminding congress that there will be need for 60,000,000 jobs after the war, called today for an immediate start toward an adequate post-war social and economic program.

He emphasized in his fiscal 1946 budget message that full employment constitutes part of this country's stake in post-war world stability and prosperity. The President added that other nations are fully conscious "that international co-operation cannot succeed unless the United States is prosperous."

Calling for an attack on every front of the employment problem, Mr. Roosevelt outlined these salient features of a post-war program which he said could be tackled now:

ONE—A revised tax structure to stimulate consumer demand and to promote business investment should be developed now so that it could be put into effect after victory.

TWO—National and international policies affecting credit, trade, investment, competition and monopoly, should be adopted now to determine future business and employment opportunities; and "we

must make sure that there are opportunities for new and growing business."

THREE—Planning must begin now on development of human standards and material resources of the country to increase productivity and most effectively support business expansion. This, he said, involves extension of social security to provide better medical care, education and nutrition, as well as planning "for the improvement of our homes, cities, and farms, and for the development of transportation facilities and river valleys."

"I shall," Mr. Roosevelt promised, "from time to time submit to the congress recommendations for legislative measures to implement our demobilization program and to assure jobs for all returning war veterans and discharged war workers."

The President pointed out that while large-scale demobilization could hardly be expected to begin during the coming fiscal year "we must under no circumstances be caught unprepared for peace."

At present, he continued, 52,000,000 persons are employed in war production or in civilian industries and business, with another 12,000,000

serving in the armed forces.

After the war, Mr. Roosevelt said, many of these persons will retire, resume their schooling, or devote themselves to their homes and families.

But this reduction in the civilian labor force, he emphasized, would be more than offset by demobilization of the armed forces and by the natural growth of the working age population.

"Thus, before long there may be 60 million men and women to be employed," he said. "Huge war expenditures have brought full employment, more than full employment."

Then, the President posed this question: "What will be the outlook, when federal expenditures are 50 and 25 billion dollars in the period of demobilization and thereafter?"

Budget Director Harold D. Smith explained to newsmen that the President obviously was referring to a range of possible governmental costs in the post-war years.

"The American people," Mr. Roosevelt said, "have learned during the war the measure of their productive capacity, and they will remember that experience in the peace to come."

"It is the responsibility of business enterprise to translate market opportunities into employment and production."

"It is the responsibility of the government to hold open the door of opportunity and to assure sustained markets. Then and only then can free enterprise provide jobs."

To assure full employment by private enterprise in peacetime, the President said, consumers' expenditures must increase by about 50 per cent above the level of the calendar year 1939, when they totaled \$61,700,000,000. In the calendar year 1944, these expenditures totaled \$97,000,000,000.

KIWANIAN TO HEAR INTERNATIONAL CHIEF

Ben Dean, president of Kiwanis International, will speak before the Indianapolis Kiwanis club tomorrow at the noon luncheon at the Columbus club.

Mr. Dean, who makes his home in Grand Rapids, Mich.; has been a Kiwanian 16 years. He is chairman of the Better Business Bureau at Grand Rapids and is director of the Chamber of Commerce.

CHANGES IN MERIT LAWS TO BE URGED

The legislative committee created by the 1943 general assembly to study the state's merit system today was preparing a number of recommendations designed to strengthen present laws.

The committee headed by Senator John A. Kendall (R. Danville) is expected to make a report next week.

A two-year study of the welfare department completed recently by a legislative committee headed by Rep. Earl B. Teckmeyer (R. Indianapolis) found present merit system operations ineffective.

The latter group felt among other things that there was evidence of persons being discharged without proper hearings. Their recommendations have been included in pending measures.

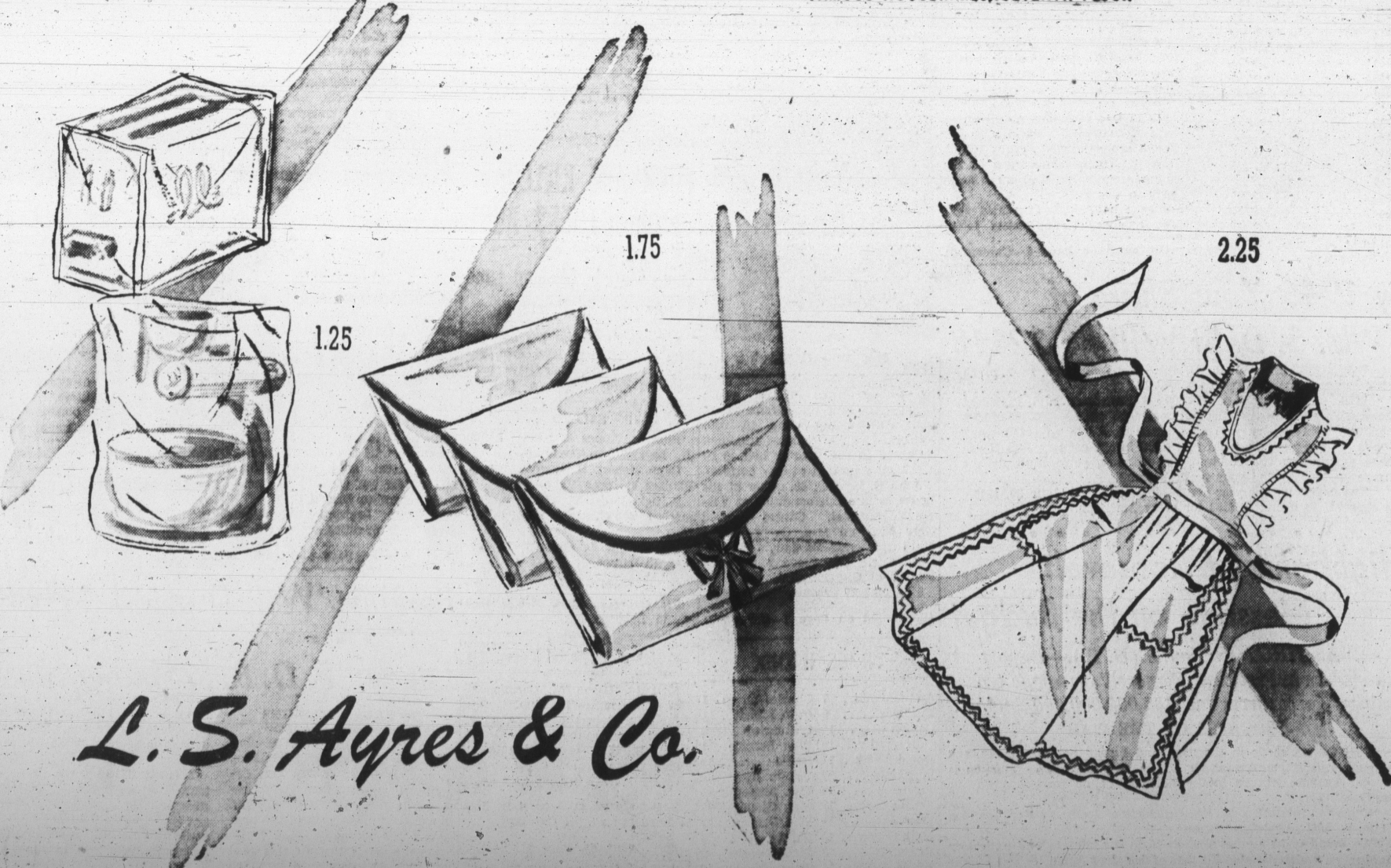
The Kendall committee is expected to investigate all phases of the merit selection, employment, assignment and discharge of state personnel before submitting its recommendations early next week.



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