

The Outlook for 1937

If the estimated expenditures for the fiscal year 1936 for general purposes are regarded as constituting the minimum which is necessary for the fiscal year 1937, it means that the new budget will start with a total of about \$3,500,000,000. To this will no doubt be added at least \$500,000,000 as the normal annual outlay for construction and other ordinary activities which are now classed under "recovery and relief." This makes a total of more than \$4,000,000,000 without regard to work relief, direct relief or agricultural benefits. Upwards of \$1,000,000,000 from existing appropriations for public works and work relief will remain for expenditure in the fiscal year 1937. Presumably, more funds will be sought for work relief as well as substantial sums for direct relief and for agricultural benefits. Numerous other projects are certain to be pressed, including \$2,000,000,000 for immediate payment of the soldiers' bonus.

It is, therefore, apparent that unless underlying policies are sharply changed, there will be a strong tendency to spend as much in 1937 as in 1936.

The Congress will have an opportunity to review the work-relief program. It will not be too late to discontinue some projects which lack economic justification. In the Work-Relief Act the Congress delegated undue authority to the President in the expenditure of the funds. Before granting additional money for any relief activity, the Congress should insist upon the exercise of its own constitutional prerogatives. The present work-relief program was not properly studied either by the administration or by the Congress before approval of the appropriation.

Economies can and should be made in present general expenditures. Appropriations for both regular and "emergency" agencies are far greater than necessary. An investigation by the Congress of such part of the governmental establishment as has been built up by executive authority without specific authorization in law would be from the standpoint of the taxpayer highly desirable.

BUDGET PROSPECTS

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A Discussion of the Choice between
National Solvency and the Break-
down of Treasury Credit with
Resulting Devastating Inflation
and Chaos if the Administra-
tion Continues Its Flagrant
Violation of Campaign
Promises



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