

LABORIOUS TASK OF CUTTING EXPENSE STARTS IN SENATE; HOOVER'S MESSAGE JEERED

Lawmakers Settle Down to Final Job
Involved in Balancing of Budget;
Sharp Antagonism Flares.

HARRISON LEADS RAZZBERRY CHORUS

President's 'Heroic and Historic Dash' Had Nothing to Do With Passage of Tax Bill, He Declares.

BY MARSHALL MCNEIL
United Press Staff Correspondent

WASHINGTON, June 2.—The tax-tariff issue was revived as the conference committee on the \$1,121,000,000 revenue bill met for the first time today.

On the floors and corridors of the capitol, however, discussion centered on the political consequences of what Senator Pat Harrison (Dem., Miss.), in sarcasm, called President Hoover's "heroic and historic" dash up Pennsylvania Avenue from the White House to the senate chamber with his special tax message Tuesday noon.

Harrison asserted, and other senators supported the statement, that Mr. Hoover's personal appearance had nothing to do with the speed with which the senate passed the bill just after midnight Tuesday.

They also said that the finance committee had agreed on a budget-balancing tax bill before it knew of Hoover's sudden decision to make his address.

Face Fight in Conference

The tariff fight in the conference committee revolves about the import duties on copper and lumber written into the bill by the senate. This fight is led by Representative Henry T. Rainey (Dem., Ill.), majority leader of the house, and one of its conferees.

He hopes to kick out these two protective tariffs, but he foresees little chance of eliminating the oil and coal tariffs approved by both houses.

Other items in the senate budget-balancing bill, with the probable exception of the 1 cent a gallon gasoline tax, are expected to be approved with little controversy, and soon.

Senator Harrison's chronological account of the progress of the tax bill, leading up to his statements concerning Hoover's personal appearance before the senate, was delivered, he said, to correct "some what of a misrepresentation."

Refuses Credit to Hoover

"One reading the newspapers this morning—some of them, not all—would get the impression that the United States senate had been fraternizing away time," Harrison said.

Hoover's ride has given some people the impression that if it had not been made "we would still be considering the revenue bill to the detriment of the government," he said.

"I say," Harrison shouted, "that the President coming to the senate did not, in my opinion, hasten the consideration and completion of a revenue bill in the slightest."

The revenue bill would have been completed Tuesday whether the President came to the senate or not."

If there was any delay it was "because of doubt as to what was needed to balance the budget."

Relates Chain of Events

He told how the house had passed a tax bill which then balanced the budget at the treasury's estimates, and how the senate finance committee, of which he is the ranking Democratic member, had brought out a bill that also complied with Secretary Osgood L. Mills' request.

Up to Monday of this week, Harrison said, the senate had relied on the estimates of revenue needed submitted by Mills on May 8.

On Monday, he said, it was whispered among senators that a new treasury deficit was impending.

On Monday afternoon, Harrison went on Senator David A. Reed (Rep., Pa.) "burst upon the senate and the country the startling news" that at least \$200,000,000 more would be needed to balance the budget.

Might Have Been Passed Monday

At this point, Senator La Follette (Rep., Wis.), also a member of the finance committee, asked Harrison if it wasn't a fact that the tax bill would have been passed Monday if it hadn't been for Reed's speech.

"The senator has stated the facts," Harrison replied.

The last Mississippi told how on Monday night he and other Democratic members of the finance committee were called to the White House and said that there for the first time Mills intimated that some \$200,000,000 more would be needed to balance the budget. Mills did not know the exact amount, the senator continued, but promised to have it Tuesday morning.

Then Mills Wanted More

Tuesday, shortly before 10 a. m., Mills appeared before the committee and said \$285,000,000 more was needed.

Within less than an hour and a half after this statement was made, the committee was ready to agree to taxes which would raise the necessary amount.

Mills suggested imposition of the general manufacturers sales tax, and Harrison said "we told him then, as the world knew" that 55 senators had agreed to oppose this tax. Later Hoover urged this very tax.

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Committee for Alumni Day at Butler Named



Florence Renn

BY RUTH FINNEY
Times Staff Writer

WASHINGTON, June 2.—The senate settled down today to the final task involved in balancing the budget—reduction of government expenditures.

In solving this problem, it, at the same time, may decide on a program for federal relief.

The first hour's debate on the senate economy bill disclosed the close relationship between the two, and while the Garner and Wagner relief bills still are both pending before committees, agreement on a general policy for financing public works considerably would shorten both major tasks remaining before adjournment.

The first hour's debate disclosed also sharp antagonism in the senate to the committee plan for effecting federal economies largely at the expense of government workers.

Proposals Are Studied

Overnight, the senators, in their first opportunity to study proposals of the economy committee, have been considering alternative means of saving the necessary amount.

One of the first alternatives laid before the senate proposes financing of \$1,332 expenditures for public works by a bond issue instead of by current taxes. This proposal is part of the Wagner relief bill.

The fiscal situation now confronting the senate is this.

If the tax bill finally becomes law substantially as adopted by the senate, savings in current appropriations bills necessary to balance the budget are, according to Treasurer Secretary Osgood L. Mills, \$350,000.

President Hoover placed the figure at \$400,000,000 in his message Tuesday, allowing for possible necessary deficiency appropriations.

Millions Must Be Trimmed

Of the saving to be made \$141,500,000 has been accomplished already in the house of representatives. This is the amount by which the house cut the appropriation bills beneath the estimates submitted by the budget.

That leaves an additional \$208,500,000 to be saved by the senate. If Mills' figure is accepted, or \$258,500,000 according to the President's estimate.

The senate already has trimmed \$17,500,000 off the appropriation bills it has passed on, including those for interior, state, justice, commerce and labor departments.

This means that an additional \$191,000,000 remains to be saved under the Mills estimate, or \$241,000,000 under the Hoover estimate.

Three Ways to Slash

There are three principal ways under consideration by which this might be done.

The second bill now pending before the senate proposes to save \$228,005,000 largely through 10 percent pay cuts in federal salaries, reduction of annual leave with pay, reduction of veterans' benefits, of vocational education, and so forth.

If it should be passed without substantial change, small additional economies would have to be made in the remaining appropriation bills to achieve the amount asked by the President.

The second plan—backed by Senator Elmer Thomas (Dem., Okla.)—provides for transferring public works expenditures from the annual supply bills to the relief bill, where they will be financed by government bonds.

Against Salary Cuts

This immediately would effect savings of about \$300,000,000 in the budget, less a small amount for carrying charges on the new bonds. Its adoption would make unnecessary further consideration of salary cuts.

The third plan would call for drastic cuts in certain functions of the government, such as ship subsidies, prohibition enforcement, national defense, and other debatable items of expense.

Comments of senators upon first presentation of the economy bill Wednesday seemed to indicate an inalterable opposition to acceptance of 10 percent salary cuts for low-paid workers, and also for those receiving more money.

Girl Scraper Routs Robbers

CLEVELAND, O., June 2.—Nine-year-old Ruth Ludwig routed four robbers from her father's drug store when she defied their guns, and attacked two of them with her fists. Her screams attracted passersby. The robbers fled.

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THE INDIANAPOLIS TIMES

LESLIE FACES BOOMERANG IN SESSION CALL

Governor's Action Is Viewed as Inviting Defeat for G. O. P. in Fall.

BY BEN STERN

Opinion that Governor Harry G. Leslie has "pulled a Hanly" in issuing the call for a special session of the general assembly on the eve of an election, was expressed by leaders of both parties today.

It is known that the highest leaders of Leslie's own party view the call with particular disfavor, and point out that in September, 1908, Governor J. Frank Hanly convened a special session to enact county local option liquor laws.

As a result of this thirteen-day session the G. O. P. was slaughtered and, through a quirk of circumstance, James E. Watson, the Republican Governor nominee, was defeated.

Today Watson is a candidate for re-election to the United States senate and his friends fear that history will repeat itself.

Watson in Dark

Washington dispatches declare that the senior senator asserts he was not cognizant of the plan for the extraordinary session until the call was issued by Leslie.

Managers of both parties declare the purpose of the session is twofold. The first, they say, is to toss the heat of drawing an acceptable tax equalization program on to the Democratic house, where all tax bills must originate; and, second, that those interests opposing an income tax, but desiring relief only through the slashing of public expenditures and pay rolls, feel that with Leslie using his veto power, they can halt any liberal tax equalization legislation and still reach their goal.

Credit for formulating the plan for the call is given to Henry Marshall, Lafayette publisher, and Leslie's "prime minister," and other conservative Republican editors.

In commenting on the call, Marshall showed his hand with this statement: "I have every confidence in this legislature cutting the cost of government in Indiana."

Pressure Too Strong

Several months ago Marshall, in a front page editorial written by George Stout, Lafayette editor, it is said, also drew the proclamation, indorsed by a special session for tax legislation.

At that time it was known that Leslie could not oppose the pressure that was being put upon him.

Tuesday afternoon, accompanied by Marshall and Stout, Leslie went to a private room in the Claypool and called Ivan C. Morgan, G. O. P. state chairman, from his committee rooms.

When Morgan arrived, Leslie, it is said, held out the call and said, "There it is."

It is said that the Governor then declared he could not "stand the pressure."

A special session called for the benefit of the Republican party to lift the onus of the failure of the G. O. P. senate to pass remedial legislation in 1931 may prove to be a boomerang.

Democratic managers in planning their program for the special session will recall that Leslie vetoed the "anti-yellow dog contract" bill, the measure forbidding the use of injunctions in labor disputes; old age pensions, and that he signed House Bill 6, which would have given the utilities complete control of bus operation in municipalities.

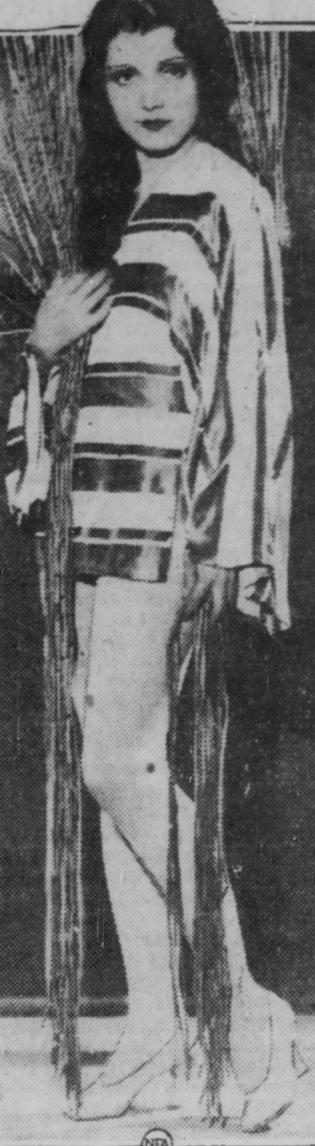
Similar labor bills again may be introduced and, defeated by the G. O. P. senate or vetoed by the Republican Governor. On the eve of a campaign, it will make political war for the opposition.

The Democratic house, adhering to its 1930 platform pledges, may reintroduce measures placing a levy on personal and corporate incomes as the only "fair and equitable" method of taxation and let the Republican senate fight it.

There also is the possibility that a million dollar unemployment relief bill will be urged by thousands of unemployed.

The workers, farmers and small home owners of the state are unanimous in declaring for the income form of taxation, and it would be

Wears Stripes



Here is Peggy Shannon, clad principally in a beach scarf. The broad stripes are especially smart this year.

ASSAILS POWER OF CONGRESS

Overriding Constitution, Ex-Solicitor-General Says.

Congress, by assuming unauthorized power is over-riding the Constitution of the United States, according to William Marshall Bullitt of Louisville, Ky., former solicitor-general of the United States, who addressed the Indianapolis Bar Association Wednesday night. The meeting was held at the Indianapolis Athletic Club.

He declared the supreme court should curb the power of congress.

"If this country is coming to the socialist doctrine that all, or a greater portion, of a decedent's property should be appropriated by the state, then it should say so by constitutional amendment, instead of

seeking to accomplish that result by multiple taxation," Bullitt said.

Congress for some time, and the supreme court recently seem to have adopted the view that large fortunes are a bad thing and must be split up by almost confiscatory inheritance taxes."

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up to the G. O. P. senate and Governor to defeat the measure.

"The wets are expected to urge a medicinal whisky bill, with a tax on each pint sold.

Because of this situation, it appears that instead of Leslie dumping something on the Democratic house, he will face a boomerang in issuing the call at this time, instead of three or four months ago, political leaders declare.

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