

M'NUTT PRESENTS IDEAS ON SECURITY TO ASSEMBLY AS SPECIAL SESSION CONVENES

Urges Prompt Action to Gain Benefits of Federal Grants.

(Continued From Page One)

Indiana County and Township Association, also would be introduced this afternoon.

The Governor, in his message, briefly outlined the objectives of the social security program and urged the Assembly to take action promptly enough to prevent Indiana from losing any of the benefits it may obtain from the Federal grants-in-aid which are to finance half the cost.

The Governor admitted he was not wholeheartedly in favor of all provisions of the three bills drawn by the joint legislative committee from the House and Senate, but endorsed them as "representing the considered judgment of the members."

Recommend Passage

The Governor said: "With some of the provisions, I am not in accord, but I recognize the fact that these measures cover certain controversial points and represent the considered judgment of the members. I therefore recommend the passage of the bills as submitted by the committee."

Gov. McNutt admonished the assemblymen that it is imperative they consider three things in enacting of the measures. These he listed as:

1. The state acts must fulfill the requirements of the Federal acts and be formally approved by the designated Federal agencies.

2. The state budget must remain balanced.

3. Local units must be given the authority and the time to readjust their budgets in compliance with the social security program.

Favors Liberal Pension

Announcing himself as heartily in favor of a liberal old-age pension law, the Governor informed the members he believes it necessary for the social security program to rest on a sound financial basis.

"I heartily favor the payment of old-age pensions to those 65 and older and recommend that the age limit be lowered to 65 as soon as our resources permit such action, but never before," he said.

"Consideration of the financial condition of the governmental units involved indicates July 1, 1938, as the earliest practical date unless additional source of revenue are provided. To accomplish its high purposes, the social security program must rest on a sound financial basis. It is a good rule for individuals and governmental units to measure commitments by ability to pay.

Refers to Previous Statement

In the phrase, "unless additional sources of revenue are provided," the Governor referred to his previous announcements the gross income tax revision would be necessary if the General Assembly insists on advancing the old-age payment date to persons 65 from 1938 to 1937.

Gov. McNutt emphasized that the unemployment compensation program contemplates, but does not require, state action.

"Most states," he pointed out, "have not hitherto been willing to enact unemployment compensation laws because such laws place their industries at an unfair advantage in interstate competition."

"If the state does not act, the unemployment compensation will be under the complete control of the Federal agency and a pay roll tax on employers of eight or more will be levied."

Closing his message, Gov. McNutt traced the state's and nation's recovery from the depression during the last three years. The emergency has been met, he said, but that is not enough. It is a far greater thing to prevent such catastrophes in the future and the social security program is designed for such a purpose, he declared.

"God help us to be worthy of the best Indiana tradition in supporting the sound and practical proposals for social security and human rights," he concluded to a burst of applause from the members of the Assembly and the crowded galleries.

"No Gag Rule," Says Stein

Both houses proceeded swiftly this morning with organization of the necessary machinery. This was accomplished by a series of motions, including one which killed bills still on the calendar from the 1935 session.

Speaker Edward H. Stein and Majority Floor Leader Frank G. Thompson emphasized in remarks to the House that while old bills were removed from the calendar, the subject matter was not dead and the bills might be reintroduced.

"There is to be no gag rule," Speaker Stein said. "The calendar merely should be cleared to obviate unnecessary bookkeeping."

In the Senate, Lieut. Gov. M. Clifford Townsend stressed the necessity of free discussion of all points on social security, to which the Senate has bound itself for sole consideration.

Keep Cards Up—Townsend

"Let's keep our feet on the ground and the cards on the table face up," Mr. Townsend urged. "Since the scope of our deliberation is limited to social security, let's act as a committee of the whole and be a true deliberative body."

Text of a "home rule" old-age pension bill sponsored by the county and township officials association was revealed during the forenoon session.

The trustees' bill is concerned solely with old-age assistance and differs radically on this score from the measure drafted by the joint legislative committee.

Under the trustees' bill old-age pensioners would be eligible at 65 on and after July 1, 1937. In the administration measure the age limit would be lowered a year later. Maximum compensation, \$30 a month, remains the same.

Section 1 of the trustees' bill provides for consent of the Senate to the Governor's appointments to a board of five to administer old-age assistance.

"This is to prevent appointment of a board antagonistic to home rule," according to an explanation

of the bill by the township association.

Senator Smith declared his bill is more specific in the matter of providing appeals, gives the state necessary powers to compel compliance with state and Federal laws by the counties and curtails the power of the state board which under the proposed administration setup he termed too "broad."

Under the substitute measure, County Commissioners would be the local agents of the state board. Under the administration measure separate county and district welfare board would be created.

Standards Are Fixed

Standards for employees are fixed in the Smith bill and the administration measure was criticised in this respect by the Senator who said that such a function should not be left to the whim and fancy of boards."

Prospects of a revolt against the administration apparently were remote as the session got under way.

After majority members of both houses caucused last night there seemed to be a disposition on the part of most members to "go along" with the administration.

Strong groups in both houses, with party lines broken, are in favor of advancing to Jan. 1, 1937, the date on which state-Federal pensions are to be paid to persons 65 and older.

By one vote, the House majority members voted last night, 26 to 25, to stand by the administration program.

Changes in the gross income tax law which administration leaders warn will be necessary if the 65-year provision is advanced, would not increase present rates, it is emphasized, but would bring under the law individuals and non-profit organizations now escaping payment.

These possible changes are calculated likely to raise \$2,000,000 a year, approximately the amount necessary to pay for advancing the old-age pension payments from 1938 to 1937.

The House vote in caucus against the advancement was not final and binding and the caucus was recessed to Friday night.

While majority members were caucusing at the Statehouse, Republicans of both houses caucused at the Claypool and decided on a program of "watchful waiting."

Favor Home Rule Feature

Echoing sentiments of the Republican State Committee, which met yesterday, the Republican members agreed in caucus that they favor the "home rule" provision in the welfare bill, which is the other controversy in which the Democrats are engaged.

While the Senate voted to consider social security only, with only one member dissenting, it was announced there is no bar against introduction of social security measures other than those approved by the joint legislative committee and that such measures introduced would be given a complete hearing.

Senator Russell Handy, Morris-ton, was the member who objected to limiting the session. He said he had a bill to introduce, the nature of which he would not disclose. Senator Handy is one of the leaders in the gubernatorial campaign of Pleas E. Greenlee, the Governor's ousted patronage secretary.

EDWARD BEGGS GETS HOUSE STAFF POST

Clerks for Special Session Named by Committee.

The staff of the Indiana House of Representatives was headed today by Edward Beggs, Indianapolis, State Industrial Board secretary, chief clerk of the House for the special session.

Mr. Beggs, who served during the last general session of the Legislature, lives at 421 E. 33d-st. He is Democratic committee man of the Ninth Precinct, Fourth Ward.

Other members of the staff designated by the House patronage committee are:

Miss Gwendolyn Dixon, Indianapolis, assistant clerk; James Stockwell, Evansville, chief doorkeeper; Francis Durkin, Brazil, junior clerk; Nina Little, Garrett, registry clerk; A. B. Anderson, Peru, recording clerk; Ben Finegold, Indianapolis, endorsing clerk; Addison Stewart, Linton, postmaster; Stanley Bohannon, Indianapolis, assistant postmaster; Jessie Cole, Decatur, reading clerk; Vernon Turner, Madison County, file clerk; Lee Vellon, Saltillo, calendar clerk, and Herman Bowes, Franklin, roll call clerk.

OFFICIAL WEATHER

United States Weather Bureau

Sunrise 6:12 | Sunset 5:41

TEMPERATURE

—March 5, 1936—

7 a. m. 55 1 p. m. 60

8 a. m. 51 10 a. m. 51

9 a. m. 52 12 (Noon) 52

9 p. m. 40

BAROMETER

7 a. m. 30.11 1 p. m. 30.12

Precipitation 24 hrs. ended at 7 a. m. 0.00

Total precipitation since Jan. 1 4.54

Deficiency since Jan. 1 1.70

OTHER CITIES AT 7 A. M.

Station. Temp. Weather. Bar. Temp.

Atlanta, Ga. 50.00 50.00 30

Bismarck, N. D. 29.00 29.00 40

Boston 29.96 29.96 40

Cincinnati 30.24 30.24 30

Cloudy 30.24 30.24 30