

Legislature to Get Townsend Budget Message Next Week; Expects Warning on Spending

Only Six Laws Enacted In Three Weeks as 687 Bills Roll in.

The Indiana Legislature, recessed for the week-end, today awaited Governor Townsend's special budget message early next week in which he is expected to warn against "raiding the treasury" to provide further distributions of State funds to local units.

With only three weeks of the session remaining, a total of 687 bills have been introduced with only six having been enacted.

The principal bills enacted appropriate \$75,000 to the State Health Board for the purchase of serum for needy families and provide for free medical and surgical care at Long and Coleman Hospitals for indigents over 16 years old.

Questions of State finance have produced a sharp division of opinion between Republican and Democratic leaders which is expected to reach a climax when legislative consideration is given to the \$84,801,418 biennial appropriations bill.

Plans for the personal message to the legislators were announced shortly after the State Budget Committee presented the Governor with an official budget report.

Makes Suggestions

The Committee suggested as means to balanced finances:

Increased taxes on liquor if prudent;

Tax on tobacco to equal levies by surrounding states;

Strengthening of the gross income tax to obtain revenue from producers of natural resources;

Transfer of revenue from the state colleges' two-cent building fund into the general fund;

Reduction of the allowance to the State Teachers' Retirement Fund by 1.4 cents.

The report set out that the State treasury balance was adversely affected by the changes of policy made by the 1937 session and by the spending of the 1938 session of the Legislature.

It was also pointed out in the Committees report that the increase in allotment for teachers' salaries from \$500 to \$700 a year caused a biennial drain of \$4,000,000; dropping the age requirement for old-age assistance from 70 to 65 years cost an added \$2,000,000; refunds on nonresidence inheritance taxes, \$701,000; paying half of the county welfare boards' administrative expense, \$1,000,000; new building operations approved by the special session, \$5,329,750, and added allowance to the county welfare boards, \$2,000,000.

Democrats to Resist

While Democratic leaders were preparing to resist any attempt to increase the distribution of State funds to local governmental units, Republicans introduced a series of bills designed to decentralize State government.

Although Democratic leaders were unable to hold their forces in line in the House when that chamber passed a measure to increase the State's distribution of gasoline tax money to local governmental units and to reduce the funds available to the State Highway Commission from \$18,000,000 to \$13,875,000, Administration Senators said the bill would be buried in Senate committee.

In his budget message to the legislators, the Governor is expected to warn them that there can be no increase in distribution of State funds to pay local welfare, road building or educational burdens at this time if even a small balance is to be maintained in the general fund at the end of the next biennium on July 1, 1941.

Republican decentralization measures pending in House committees would abolish the State gross income tax and state licensing divisions, discontinue the topographical survey, abolish the State's automobile license branches, abolish the State Attendance Board and State Housing Board and transfer the duties of the State Welfare Department to the county commissioners. Sponsors of these bills claimed they would save the State approximately \$1,500,000 during the biennium.

Local Option Issue Remains

The question of local option was expected to further complicate the liquor revision issue during the coming week. Pending in the House Public Morals Committee is a bill to provide for county local option elections at two-year intervals, and the committee has promised to take some action on this measure at its next meeting.

The House also has received a bill to re-enact the old Nicholson Law. This would return issuance of saloon licenses to county commissioners and would abolish the State Alcoholic Beverages Commission.

Because of the deadlock which may ensue between the House and Senate over the Republican and Democratic liquor revision bills, a new liquor measure has been introduced in the Senate which provides only for the abolition of the importer system. This provision of the present law must be abolished if the state is to avoid a repetition of its "beer war" with Michigan, proponents said. Both the Republican and Democratic liquor measures also contain this provision.

The Republican liquor bill has been pushed to third reading in

the House despite the opposition of the Democrats and is expected to be passed by that chamber and sent to the Senate next week.

Pending in House committee are drastic antigambling bills to prohibit such games as bingo and to levy a 50 per cent gross income tax on gambling winnings.

More Warnings Expected

Heated debate is expected to continue on two House bills involving lawyers, both of which now are on second reading in that chamber. One measure would allow the Supreme Court to admit all graduates of accredited law schools to the bar and the other would provide an "integrated bar."

Under the second measure all attorneys would have to belong to a state association which would in effect be a branch of the State Judicial Department.

Pending on second reading in the House is the Administration's measure to require blood tests for marriage license applicants. Some opposition has developed to this bill, and to other attempts to increase the State's regulation of health problems.

A measure has been introduced in the House to make it unlawful for health or school authorities to prohibit a child from attending school for failure to have a vaccination.

The Republican attack on the "Two Per Cent" Club, Democratic campaign fund collection agency, bogged down this week when Democrats charged that the bill to place the "Two Per Cent" Club under the provisions of the Corrupt Practices Act actually would repeat the teeth from that statute.

Republicans were successful in withdrawing this bill from third reading and referring it back to Judiciary "A" Committee for corrections. A second bill, said not to contain this defect, also was introduced in the House.

Attacks Reorganization Act

Meanwhile, the G. O. P. attack on the 1933 Reorganization Act continued. Pending on third reading in the House is the House bill to permit the Secretary of State to name the State Securities Commission, which now is appointed by the Governor under terms of the Reorganization act. Other Republican House bills to nullify the Reorganization Act also have advanced in the House.

No action was taken on the Senate election bills during the week. One bill, providing for a central ballot counting system for primary elections, has been passed and is being studied by a House committee.

The other Senate bills which would provide for a Statewide recount and extend the primary to include the offices of United States Senator and Governor remained unacted upon in the Senate committee.

Senator Jacob Weiss (D. Indianapolis), author of the recount bill, said he would demand his bill be reported out if committee members did not take action of their own accord.

A House election measure which would give college students the right to vote by absentee ballot is up for third reading in the House.

Argue Labor Legislation

Labor legislation has progressed in the Senate more rapidly than in the House. Labor's keystone bill, the minimum wage bill and the proposed amendment to the Workman's Compensation Act.

The wage bill would set an hourly wage of 25 cents for workers excluding domestic, farm and governmental employees.

The Compensation bill would increase the benefits to workers under the act. Senator Charles H. Bedwell (D. Sullivan), author of the compensation measure, said he is waiting for receipt of statistics from Washington regarding the wage bill for final action in the Senate.

Thirty-four new bills were dropped into the House hopper and 13 new ones were introduced into the Senate shortly before both chambers adjourned for the week-end yesterday afternoon.

Included among the House measures was one to provide a new income tax on profits obtained through "unusual favors or special privileges extended them in connection with enforcement or operation of any laws."

Designed to raise revenue for school purposes by imposing a tax upon the "rich," the bill was introduced by Rep. Charles H. Leavel (R. Winchester).

Proponents of the measure declare it is designed to uncover and tax the incomes of persons who are paid to influence officials in the conduct of Governmental business.

Ask More Modern Safety Code

Among bills introduced into House and Senate were four drafted by the Indiana Safety Council designed to modernize Indiana's traffic safety.

Another Senate bill would set up a state Textbook Adoption Commission. The bill was introduced by Senator Guy D. Dill (D. Pierceton) who took the adoption of text-

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SENATE TO GET 'FREE SPEECH' BILL MONDAY

Weiss Measure Provides Right of Public Meeting And Picketing.

VINCENNES CONCERN GETS NLRB WARNING

The National Labor Relations Board has ordered the Vincennes Steel Corp., Vincennes, to "cease and desist" from alleged unfair labor practices, Robert H. Cowdill, regional director announced today. The Board specifically ordered the company to cease its alleged interference with and discouragement of membership in the International Association of Bridge and Structural Iron Workers, Local 585, A. F. of L.

NEW GROSS TAX BILL DEMANDED

Hendricks County Retailers Sign Petitions for 1/4 of 1 Per Cent Rate.

Times Special
DANVILLE, Ind., Feb. 11.—Three hundred Hendricks County retail merchants are to present petitions to the Legislature demanding that their gross income tax rate be reduced from 1 per cent to 1/4 of 1 per cent, retaining their present \$3000 exemption, it was announced today.

A bill is pending in the Legislature to reduce the retailers' rate to 1/4 of 1 per cent and to reduce the exemption to \$1000.

C. R. Baker, chairman of the Danville Better Business Bureau, said officials of his organization would confer with Hendricks County legislative representatives Monday afternoon and request introduction of a new measure to meet the merchants' demands. He said every retailer in the County had signed the petitions.

"The bill now in the Legislature does not give us the relief we need," Mr. Baker said. "All we are asking is that we be placed on a par with other types of business in regard to this tax."

DEPAUW ON GUARD AGAINST SMALLPOX

Times Special
GREENCASTLE, Feb. 11.—An epidemic of sore arms invaded the DePauw University campus today as students and faculty members complied with a compulsory smallpox vaccination order.

Dr. C. B. O'Brien, University physician, explained that the order, with a Monday deadline was "merely precautionary." Only one case of smallpox has been reported in Putnam County, he said, but the University desires to guard against an epidemic.

BUSINESS EDUCATION

SEIZE 13 SLOT MACHINES

VALPARAISO, Feb. 11 (U. P.)—City police confiscated 13 slot machines yesterday in a raid on The Barn near here. They also took a large number of repair parts.

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