

Gross Tax Breach Reported Widening; Income Levy Studied

Retailers' Leader Charges State Needs Better Business Sense.

Retailers and Administration Senate leaders were reported at greater odds today over the bill to cut the gross income tax rate as the former charged that "more business-like administration of State government" would enable Indiana to live within its income.

Governor Townsend yesterday refused to confirm or deny the reports that there was Administration "heat" on this measure. He said, however, that if the gross tax rate is cut the money will have to be made up in some other way or the State's distribution to schools will have to be curtailed.

In a statement today, C. L. Jones, president of the Associated Retailers of Indiana, said: "Reasonable economy, coupled with more businesslike administration of the State government, would not only enable Indiana to live within its income, but would make unnecessary talk of reduced payments to schools and teachers and heavier taxation of property. Retail merchants would not approve of legislation that would either handicap the schools or put additional burdens on property taxpayers."

"Reports have been circulated to the effect that bills are being prepared for introduction in the Legislature providing for a reduction in the amount distributed by the State for payment to schools from \$700 per year to \$400, for each teacher unit. It has been stated that if these bills, or similar ones, were adopted, the State would be saving an annual expense of \$6,000,000, and that this amount would be shifted back to general property taxpayers."

"Introduction of a bill of this character would be, in my opinion, intended merely to influence legislation now under consideration by the General Assembly, and I do not believe any one would be deceived by it. Representatives of the Associated Retailers of Indiana have contacted sufficient numbers of legislators to feel assured that no legislation will be passed making any such reduction in amount paid to the schools, or shifting any additional burdens to property taxpayers. Certainly retail merchants would be opposed to any such legislation."

"If the State government will effect some sound economies in its business, as we merchants have had to do in trying to have funds to pay the excessive taxes which have been levied against us, the State undoubtedly would be able to live within a reasonable budget and without unfair taxation on any group of our citizens." A reduction in State distributions to schools was suggested by a Senate leader at a conference with the Governor following passage of the bill by the House, according to a Democratic publicity man.

Public Hearing Thursday
The bill passed would reduce the retailers' rate from 1 per cent to 1/2 of 1 per cent and also the exemption from \$3000 to \$1000.

Retailer groups have requested the reduction because, they claim, they are being "forced to the wall" by the present rate. They also attributed a large number of business failures to the tax, which they charge discriminates against them. The bill has been referred to the Senate Finance Committee which will consider it for the first time at a public hearing next Thursday. Tuesday originally was set as the hearing date, but committee members said "other business" prevented their considering it on that day.

'HOME RULE' STUDY IS VOTED BY HOUSE

Commissions for Manager Plan Probe Proposed.

"The House of Representatives today passed a resolution designed to raise revenue to replace that which would be lost to the State if the Legislature passes a pending bill to cut in half the gross tax payments by retailers."

Authorize the State Tax Board to license and regulate open air parking.

Appropriate \$75,000 for the purchase of prehistoric earth works known as Angel Mounds along the Ohio River in Vanderburgh and Warrick counties.

Strip the State Welfare Department of its jurisdiction over welfare departments in the administration of State welfare activities.

Prohibit dancing in places where liquor is sold.

ACCUSED OF ROBBERY STORE

FT. WAYNE, Feb. 18 (U. P.).—Four Hartford City young men, none of them over 21, were to be arraigned in Municipal Court today on a charge of armed robbery. They are charged with robbing a chain grocery store here yesterday afternoon and escaping with \$44.

He said it was generally conceded that the question of how this "home rule" should be brought about is so complicated that an exhaustive study of the matter is necessary to settle it.

SOUTH SIDE LEADER HITS ELEVATION BILL

Measure Doesn't Compel Road to Act, He Says.

Charges that the rewritten House track elevation bill does not "compel any railroad to join with the city and county in an elevation project," were hurled today by E. H. Wischmeyer, track elevation committee chairman of the South Side Civic Club.

He declared the measure "is poorly drawn and tosses years of work by the South side into the waste basket."

54 NEW BILLS PUT ASSEMBLY TOTAL AT 869

House Holds Extra Session In Effort to Break Legislative 'Jam.'

(Continued from Page One)

government from July 1, 1939, to July 1, 1941, introduced in House and awaiting Ways and Means Committee action. They call for total increase of \$3,622,264 over last biennial appropriation. Most State employees' salaries would be slashed 10 per cent. A Republican-sponsored bill to cut employees' salaries 2 to 21 per cent on a sliding scale has advanced to third reading in House.

Auto Licenses—Bills to provide a "grace period" until March 1 for purchase of license plates have been passed by both houses. Minor differences expected to be ironed out in conference committee. House passed and sent to Senate bills repealing truck weight tax law and returning \$619,000 to truckers who paid this levy.

Gross Income Tax—Bill passed by the House to cut retailers' gross income tax rates from 1 per cent to 1/2 of 1 per cent and reduce exemption from \$3000 to \$1000. Senate Finance Committee to consider measure for first time next Thursday. Administration opposition reported to the lowering of the tax rate at this time.

Wage-Hour Bill Held Up

Labor—Wage and Hour Bill, patterned after Federal law, introduced in House and referred to Labor Committee. Committee has held it for a month and efforts of Labor representatives to force it out have failed. Minimum wage bill, not attempting to restrict number of hours, passed by Senate and is awaiting House action. Bills to empower State Labor Division to collect unpaid wages of less than \$100 and to prohibit the sale on the open market of prison-made goods passed the House and pending in the Senate.

Marriage—Administration's hygienic marriage bill to require marriage license applicants to take blood tests for syphilis passed by House and pending in Senate. **Public Health**—Passed and signed by Governor are bills to appropriate \$75,000 annually to enable State Health Board to purchase pneumonia, diphtheria, smallpox and typhoid serum for needy persons and to provide free medical care and hospitalization for indigent patients in hospitals of the I. U. Medical Center. Bill to require syphilis tests for expectant mothers awaiting Governor's signature.

Neoplatonism—Threats of Democrats to take on any Republican anti-neoplatonism measure to make these resolutions apply to local as well as State officials apparently all but killed the issue. House bill to re-enact old anti-neoplatonism law tabled.

Safety—Four Indiana Safety Council measures to reauthorize State traffic laws on third reading in Senate. Companion House bills on second reading.

House Patronage Bill Passed
Reorganization Act Attack—Republican House majority pushed through bill to return to State officials patronage power over their own personnel, 51 to 47. Also passed 51 to 46 bill to give Secretary of State right to appoint the State Securities Commission. No action taken by Senate on either bill.

Election—Two Republican-sponsored reform bills will be introduced and awaiting Senate action. They would provide for recounts in individual precincts and a central counting of primary ballots in more populous counties. Senate passed and sent to House a Democratic-sponsored bill to return nomination of candidates for U. S. Senator and Governor to direct primary.

Special Appropriations—Only bills of this type would appropriate \$75,000 for purchase of serum for needy persons and \$10,000 to finance State's legal battle against freight rate differentials sought for Southern states. Others expected to die in committee.

Indianapolis Affairs—Bills to facilitate possible purchase of Indianapolis Water Co. and reduce railroad's share in track elevation projects ready for third reading in House. City Administration-sponsored bill to clarify Indianapolis Police and Firemen's Merit Law also on third reading.

Two Per Cent Club—Republican-sponsored bill to place this Democratic campaign fund collection agency under jurisdiction of Corrupt Practices Act ready for second reading in House. Earlier bill blocked on third reading by Democratic minority which pointed out error in drafting.

"Home Rule"—Bill to exempt municipally owned property from taxation passed by both houses and awaiting Governor's signature.

CLEAR STORM DEBRIS
LOS ANGELES, Feb. 18 (U. P.).—Thousands of workmen were sent into residential districts and along connecting highways today to clear the debris caused by a three-day storm which reached a peak velocity of 72 miles an hour. Property damage was estimated at \$250,000.

60 Killed, 200 Hurt
In Alicante Bombing

MADRID, Feb. 18 (U. P.).—Sixty were killed and 200 injured today when four Italian-type planes dropped 100 bombs on Alicante. All war fronts were quiet.

Poland and Uruguay
To Recognize Franco

WARSAW, Poland, Feb. 18 (U. P.).—The Foreign Office announced today that Poland's full legal recognition of Franco Spain today.

WASHINGTON, Feb. 18 (U. P.).—Uruguay notified the state department today it definitely has decided to recognize the Franco Government in Spain.

BANKER SENTENCED
FOR \$23,000 THEFT

FOWLDER, Feb. 18 (U. P.).—Lemuel Shipman, prominent banker here, was sentenced to one to five years in prison yesterday when he pleaded guilty to embezzling \$23,718 from the guardianship of his brother-in-law.

Shipman's plea of guilty was a surprise move. Previously he had maintained his innocence. He was president of the First National Bank here until it closed in 1931.

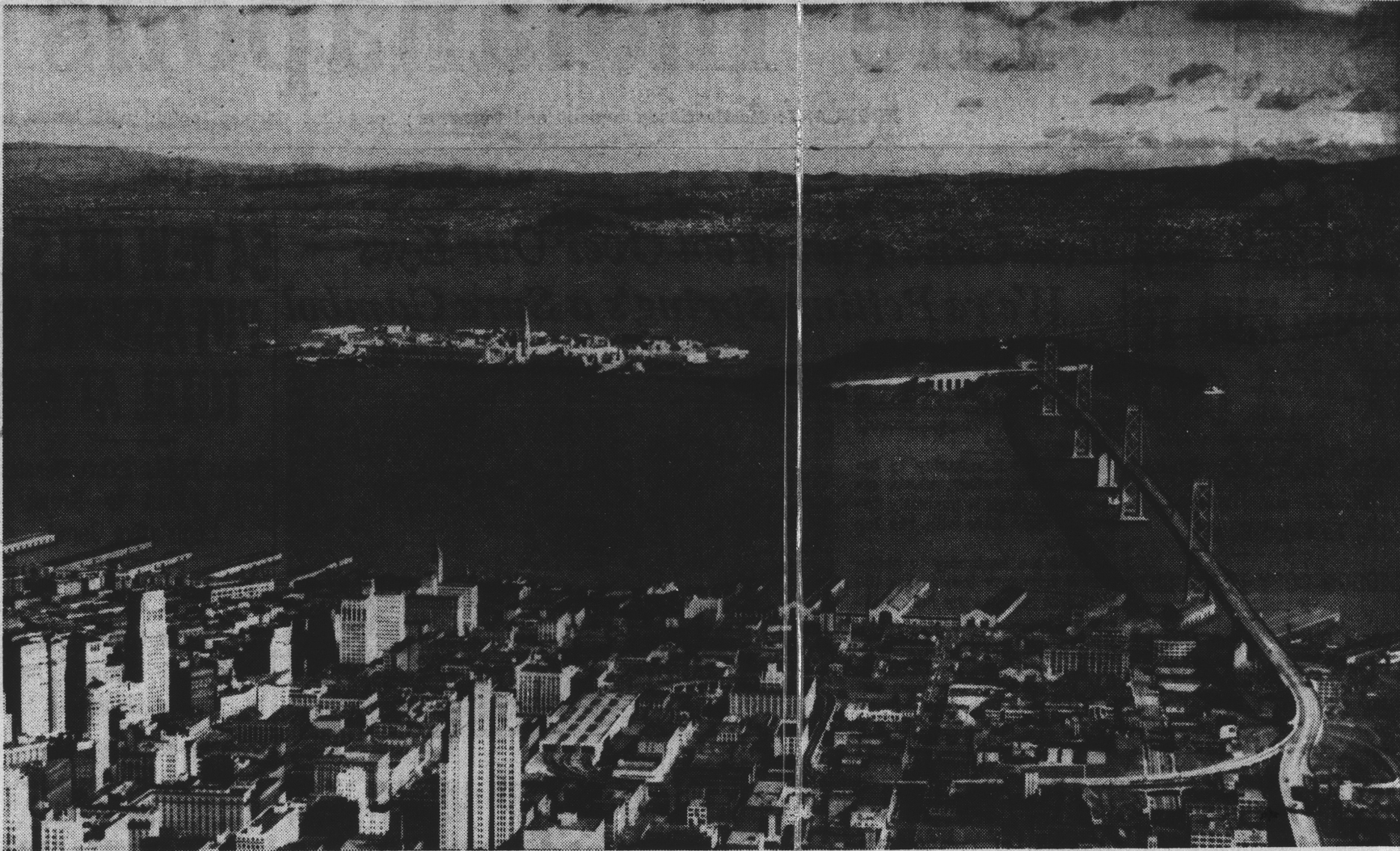
A grand jury indicted him for embezzling \$23,718 from the estate of Charles H. Kinsell.

BISHOP'S DAUGHTER BEATEN
BOSTON, Feb. 18 (U. P.).—Police today sought a swarthy youth who beat and criminally attacked Mary C. Huntington, 18, of Hartford, Conn., art student and daughter of the Rt. Rev. Daniel Trumbull Huntington, Episcopal bishop of Wuhu China, in her West End apartment yesterday.

Last fall Raymond E. Willis, G. O. P. senatorial nominee, and the unsuccessful Republican candidates for State offices filed petitions for recounts in seven counties.

This move was blocked when the Democratic winners obtained injunctions from the Supreme Court which ruled that the recounts would have to be made on State-wide basis and not in isolated counties.

Looking Down on San Francisco's Exposition



Here's how the Golden Gate International Exposition appears on the eve of the opening. This view, taken from above San Francisco, shows the exposition on a man-made island in San Francisco Bay. In the foreground is San Francisco's skyline, with the San Francisco-Oakland Bay bridge. (Story, Page One.)

House Gets Bills Aimed At Strikes and Picketing

Two bills designed to outlaw certain types of strikes and to restrict picketing by strikers were introduced in the House of Representatives today.

The first measure, drafted by Rep. Benjamin Harris (R. Richmond), would make it illegal for employees to conduct that type of strike where pickets occupy the premises of the employer. It also would outlaw any type of strike which attempts to "coerce" the Federal Government.

The second bill, introduced by Rep. Claude Baylor (R. Speed), would outlaw: 1. Picketing conducted so as to interfere with the approach to or egress from any business place or plant.

2. Picketing which interferes with the free and unimpeded use of public highways.

3. Picketing engaged in by persons not employed at the plant or business.

4. Picketing directed at and in the vicinity of a private residence.

It also would make it unlawful for

any pickets to coerce or induce employees to join strikes and to commit any violence or to prevent the buying, selling or transportation of any agricultural products.

Rep. Herbert H. Evans (R. New Castle), majority floor leader, today filed a protest with the House of Representatives demanding that Clarence A. Jackson, Gross Income Tax Division director, be reprimanded, fined or impeached for failing to submit a list of delinquent taxpayers.

Early in the session, Rep. Evans introduced a resolution asking that the names of those who have failed to pay their gross income tax be submitted to the lower chamber by Feb. 15. This resolution was passed by the House on a vote strictly along party lines.

Mr. Evans said he would discuss the possibility of the House majority's filing impeachment proceedings at a Republican caucus next week.

In his protest he charged Mr. Jackson "has not only assumed the position of tax collector of the Gross Income Tax Division but has used his position and power to build up a political machine and name candidates to office for the purpose of keeping himself in office and furthering his own ends."

The Evans protest also alleged that Mr. Jackson "has so far defeated the purpose of this House of Representatives in seeking to help the over-burdened and down-trodden taxpayer of the State by his failure to comply with the aforesaid resolution and he should be brought to the Bar of Justice in this House and either censured, reprimanded, fined or impeached."

'MISTAKE ARREST' AWARD PROPOSED

House Gets Bill Requesting \$5000 for Woman.

Mrs. Nancy Louise Botts, who served 13 months in the Indiana Women's Prison by "mistake," would receive \$5000 as compensation from the State under terms of a bill introduced in the House of Representatives today.

Mrs. Botts, whose home is in Brazil, Ind., was arrested at Kokomo on Oct. 15, 1934 on a forged check after several bogus check victims "identified" her as the check passer.

Although she insisted she was innocent, Mrs. Botts was tried in the Howard County Circuit Court and sentenced to serve 2 to 14 years in prison.

Working on the theory that Mrs. Botts had a "double," the officers arrested another woman who looked like her. She led them to a farm home where she said her husband had been printing the checks and forcing her to cash them.

RAILROADMEN'S DESIGNS FOR NEW HOME
are available through our Home Building Service Department. These designs just received. Inspect them this week. No obligation.

BUSINESS EDUCATION
Steno. Accounting. Bookkeeping. Shorthand and Secretarial courses. Day and evening sessions. Lincoln 6531. Fred W. Case, Principal.

Central Business College
Architects and Builders Building. Pennsylvania & Vermont Sts., Indpls.

Railroadmen's
FEDERAL SAVINGS AND LOAN ASSN.

DUCE REVIEWS HIS BODYGUARD

Official Denials Issued on Assassination Plot Report.

(Continued from Page One)

reported attempt against him. It was officially denied that his life had been the object of a madman who shot one of Premier Mussolini's detective body guards when he was challenged outside the Premier's home.

Persons close to Premier Mussolini disclosed that as the result of the incident before his villa, Senator Arturo Bocchini, Chief of Police, insisted that his guard be increased, but that Sig. Mussolini refused. He has often said that he does not fear for his person, and it is only at Senator Bocchini's insistence that plainclothesmen guard his villa in force.

He is due to appear before many thousands of people at Turin tomorrow. His visit there, 32 miles from the French frontier, was long planned, and it was expected until the Pope's death that he would take the occasion to advance his campaign for fulfillment of Italy's "natural aspirations."

It was said authoritatively today that Bruno Simone, 38, who on Tuesday shot one of the 300 body-guard detectives, told police that he had been waiting for Sig. Mussolini himself to appear through the main driveway of his residence, the Villa Torlonia.

The wounded detective was reported to be in critical condition at a small hospital, his heroism completely unknown to the public.

Communiqué Published
Today's newspapers published an account of the shooting today on their page reserved for "local" news. They published simply a Press Ministry communiqué which said:

"On February 14, shortly after 2 p. m., on the Via Nomentana, a Fascist militiaman dressed in plain clothes noticed an individual, signs of excitement, and approached him unbalanced and shouting him with the intention of quitting him."

"The stranger suddenly fired a shot from a revolver, wounding the militiaman in the abdomen."

"The aggressor was immediately arrested and was identified as a mechanic, Bruno Simone, 38, of San Giorgio di Pave near Bologna, who was twice detained in insane asylums, first at Naples, then in Rome."

"He was released from the insane asylum last year."

Authoritative quarters said however, that the shooting took place directly opposite Sig. Mussolini's villa and that Simone said he had been waiting for Il Duce.

FRANK SELMIER POWEL SUPPLY
81-9081

German Trade Balance Remains Unfavorable

BERLIN, Feb. 18 (U. P.).—Adolf Hitler's recent statement that Germany must "export or die" took on added urgency today when the Reich reported an adverse trade balance for January of \$12,440,300.

Exports for the month were reported at \$178,973,300 against imports of \$189,413,600. In December the Reich had an unfavorable trade balance of \$14,848,100, with exports amounting to \$202,255,200 and imports \$217,043,600.

During the latter part of 1938 exports of the Reich developed an unfavorable trend in relation to imports with the result that the adverse trade balance for that year totaled \$173,762,900.

MUNICH, Germany, Feb. 18 (U. P.).—The state has closed the Catholic Faculty of Theology in Munich after a long dispute with church authorities, it was learned today.

The friction started when Prof. Hans Baron was appointed to the chair of church law, apparently without consulting His Eminence Michael Cardinal Faulhaber. The Cardinal then advised students not to attend the Baron lectures.

BUCHAREST, Rumania, Feb. 18 (U. P.).—While a German commission is here discussing development by Germany of Rumania's oil and minerals, it was disclosed today that France has arranged for the purchase of 400,000 tons of gasoline and 100,000 tons of lubricating oil. It was believed France would invest in Rumania's armaments industry in return.

Great Britain also has stepped into the Rumanian picture with a project for development of railways and ports on the Black Sea.

WINTER COATS
Up to \$16.95 \$4.99
Values
MILLER-WOHL CO.
45 E. Wash. St. RI-2390

One Million Partners
1938 adds another chapter of achievement to the story of the Sun Life of Canada... a long and outstanding record of progress in the service of Life Assurance.

With over One Million policyholders co-operating as partners, the Sun Life of Canada—a great international institution—ensures economic welfare for men, women and children in many countries.

Benefits Paid during 1938
Since Organization \$ 83,400,004
Assets December 31, 1938 1,205,707,349
Liabilities (including capital \$2,000,000) 873,271,553
Surplus and Contingency Reserve 847,770,754
New Assurances during 1938 25,500,799
Total Assurances in Force 193,134,981
2,905,380,286

U. S. BUSINESS — 1938
Assurances in Force \$1,278,335,220
New Business Paid for 85,498,398
Liabilities and Other Funds 317,203,224

The Sun Life of Canada has maintained an active organization in the United States for over forty years. Its representatives are trained and experienced advisors ready to give counsel and guidance on all standard plans of Life Assurance.

W. H. ATTEBERRY
Branch Manager
3d Floor, 129 E. Market St. Bldg.
Indianapolis, Ind.

The Company maintains United States trustees deposed to cover its net liabilities to United States policyholders, as required by law. The Annual Report will be mailed to all policyholders. Others may obtain a copy upon request.

FIRST POLICY ISSUED 1871

SUN LIFE
ASSURANCE COMPANY OF CANADA
HEAD OFFICE MONTREAL

SIXTY EIGHT YEARS OF PUBLIC SERVICE