

Budget Slash Now \$844,000 in House; Legislation Speeded

Committee, 'Half Free Textbook Bill Through,' Gets Ready for Long Session Monday.

A reduction of \$844,226 was reached today in the State's \$94,801,416 biennial budget bills as the House Ways and Means Committee completed approximately half the 113 pages in the companion measures.

The Committee will meet again at 1 p. m. Monday and continue working through the night, if necessary, to get the bills out of the House floor by Tuesday, Committee Chairman F. Frank Smith (R. Lafayette) announced.

Yesterday Republican members of the Committee made a net reduction of \$174,100 after restoring \$37,000 of a \$77,000 cut made Wednesday in the State Police appropriation and approving an increase in the State Auditor's personal service item.

Most of the Committee's action came while the Democratic members were in a party caucus.

Alcoholic Commission Hit

Hardest hit by the economy moves was the Alcoholic Beverage Commission which saw its appropriation slashed \$196,000 under the \$775,000 request. Major portion of the cut was in personal services.

The Committee inserted a paragraph in the bills decreasing the Commissioners' salaries which are fixed by statute.

Both the State Police restoration and the Beverages Commission reduction came after the Committee had passed on these departments Wednesday and Thursday. The changes were approved when some of the members objected to cutting the State Police appropriation while leaving the Commission's figures intact.

Bond Acts Reconsideration

Rep. Charles Z. Bond (R. Ft. Wayne) asked that both actions be reconsidered, saying: "I can't approve of having the State Police cut when they are making \$135 a month to the Excise Police's \$150 a month."

When Mr. Smith concurred in this statement, reconsideration of the two appropriations was approved.

The first increase over the Budget Committee's recommended figure was approved for the personal service account of the State Auditor. Departments of \$48,400 to \$52,000 after Budget Committee members explained that the figure already had been cut almost \$7000 under the requested amount. They also pointed out that any reduction seriously might curtail the operations of the Department which they considered one of the most important in the State.

A \$600 decrease in the equipment fund of the Securities Commission was made when the Secretary of State said the figure represented the "trade-in" value of an automobile which was not being used.

Barber Board Items Cut

Reduced by \$12,200 was the personal service and operating expense items for the State Board of Barber Examiners.

The same accounts for the Board of Registration of Engineers and Land Surveyors were cut \$2900 and personal service of the State Teachers' Retirement Fund was dropped from \$27,000 to \$25,000.

Passed with neither a reduction or increase were appropriations for the State Department (Administration and Corporations), Architects' Registration Board, Dental Examiners' Board, Embalmers' Board, Nurses' Registration and Examination Board, Pharmacy Board, Optometry Board, Medical Registration and Examination Board, Podiatry Board, Beauty Culturist Examiners' Board, Motor Vehicle Fund and Oil Inspection Department.

Senate Will Consider House Gas Tax Bill

A House bill which would repeal the Truck Weight Tax law, lower all passenger car license fees to \$1 and increase the gasoline tax from 4 to 5 cents, was ready to be called down on third reading in the Senate today.

The bill, as approved in the House, would repeal only the weight tax. Senators, who amended the bill, said that the gasoline tax increase and change in license fees were necessary to make up for the revenue which would be lost if the weight tax were repealed. The measure, if passed by the Senate, must go back to the House for approval of amendments.

The action of the Senate in advancing this bill to third reading yesterday brought an attack from the Indiana Petroleum Industries Committee which charged that an increase in gasoline tax would result in a "decline in fuel consumption and tax revenue."

In a memorandum distributed to the Senators the Committee said that the "immediate effect of motor fuel tax increases is evasion, bootlegging, increased administrative difficulties and costs."

Point to Kentucky Survey

"While there is a temporary additional revenue, all these other results combine to reduce the revenue yield within a short time."

The committee members stated in their argument against the proposed tax increase that a Kentucky University survey of 40 different increases in tax rates in various states between 1925 and 1929 showed that the "consumption of gasoline is less after an increase than it would have been had the tax remained the same."

The Committee also claimed that "bootlegging, with the resulting nonpayment of the tax, is particularly likely to occur between bordering states having marked differences in rates. Motorists invariably tend to buy their fuel in the state having the lowest rate."

Free Textbook Bill Gains in Lower Chamber.

The House of Representatives, warned by Speaker Knapp against wasting time, spent most of its special Saturday session in grinding bills through second reading and receiving over 40 committee reports.

Principal measures advanced to third reading would:

1. Provide free textbooks in public grade and high schools.
2. Levy a 75 per cent tax on beer importers and others who receive large incomes through political influence.
3. Abolish the State Planning Board.

Party Lines Break

Party lines broke when a House bill providing that nominations of Supreme and Appellate Court judges be made at conventions was handed down for final action. Introduced by Rep. Guy W. Dausman (R. Goshen), the bill calls for a separate judicial convention of 100 delegates to meet 30 days before the convention for other party candidates.

Rep. Howard T. Bateman (D. Terre Haute) asked the members if they had ever heard of a judge being selected because he was a clean, upright, honest man.

"No, you haven't," he continued. "But you have heard a thousand times such things as: 'We'd better pick a man in this section of the State because they're not represented down there.'"

Urges New Method

"You know that judges are picked in hotel rooms. This is a far superior way to select our judges. I ask you to support the measure."

When Rep. Edward Stein (D. Bloomfield) asked him how many times the Indiana Supreme Court had been reversed by the U. S. Supreme Court, Rep. Bateman answered:

"A surprising number of times." Mr. Stein then asked if he thought Indiana's standards were lower than in other states.

"That is a hard question to answer—but yes," he answered.

Rep. Hugh Dillin (D. Petersburg) called the measure a "beautiful but highly impractical measure."

"It would make a bit of difference if this bill passed. Judges would still be picked in clubs and hotel rooms," he said.

Throughout the vote the representatives changed sides and aligned themselves with the opposite party as the bill was passed 51 to 30 and sent to the Senate.

Legislature's Expense Due to Increase

Expenses of the present session of the Legislature will top those of the last regular session in 1937 by \$10,000 with the executive approval of an additional appropriation bill expected today.

The Senate yesterday unanimously approved a conference committee report recommending an additional \$35,000 appropriation to pay session costs. A total of \$125,000 already has been appropriated. Session costs would total \$160,000 if the new bill is approved, as compared to \$150,000 in 1937.

Meanwhile both chambers were to meet today, the second Saturday session for the House and the first for the upper chamber.

The House was to be called to order at 9 a. m. and the Senate at 10 a. m. The large number of bills which committees have reported out for consideration have been blamed for the legislative "jam" necessitating the Saturday and night sessions and also the increased printing costs which resulted in the additional appropriation bill.

Only Seven More Days

Only seven days remain in the present session.

Among the more than a score of bills up for final action in the Senate today were two bills involving civil liberties introduced by Senator Jacob Weiss (D. Indianapolis).

Also pending on third reading in the Senate was a bill to give juries the right to recommend either life or death sentences for convictions in charges of murder in connection with rape, arson or robbery.

Scheduled for consideration on second reading in the House today or Monday was a measure to repeal the Gross Income Tax Law and substitute a net income tax.

The House Ways and Means Committee yesterday voted to report the net income tax measure to the lower chamber without recommendation after Rep. Guy W. Dausman (R. Goshen) declared a net tax must be adopted "or the State will face a strike."

At the printers was a House measure to regulate and restrict over-the-counter sales of certain drugs. The measure, introduced by the Indiana State Medical Association, was reported out for passage yesterday by the Committee on State Medicine and Public Health.

Attempts are expected to be made next week in the House to call down again the House bill to create a State egg board with powers to license merchants selling fresh eggs and fix egg standards and grades.

This measure was considered on third reading in the House yesterday but failed to pass for want of a constitutional majority of 51. The final vote count was 48 to 38.

Speaker James Knapp ruled out of order an attempt to substitute the "integrated bar" bill under the title of the egg measure, since the subject matter in the bill affecting lawyers had been killed earlier in the session.

Bar Exam Bill Up Tuesday

The House Tuesday is to consider as a special course of business the bill to relieve law school graduates from taking the State Bar Examination.

Final consideration of this House bill was delayed yesterday after Rep. Gideon W. Blair (D. Indianapolis) charged that promises to print and distribute to the members the amendments to this measure had not been kept.

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New Farm Group Formed in Goshen



Officers of the organization and members of the Constitution and By-Laws Committees are photographed at the convention in Goshen, in which farm leaders of eight states formed the National Farmers Guild. Left to Right, Seated—D. E. Harris, Jonesboro; Fred Winterroth, Bloomington, Ill.; Joe

Liquor Reform Bill Is Passed

Senate Revises Markland Measure, Then Stamps It 'O. K.'

(Continued from Page One)

between \$250,000 and \$300,000 additional revenue, it was estimated. Another amendment was to be introduced today appropriating \$75,000 of this to the support of the Excise Department which was forced to curtail its activities several weeks ago because of lack of funds.

It has been agreed at a Democratic conference Thursday afternoon that no action would be taken on the liquor question until 4 p. m. yesterday when a special committee would report to a caucus on a compromise bill.

Then, in a surprise move, Senator William Hardy (D. Evansville), Public Policy Committee chairman, called down on second reading the Markland House Bill which had been rewritten by the Democrats in committee.

When Senator E. Curtis White (D. Indianapolis), majority floor leader, sought to make the bill a special order of business for today, Senator Hardy declared a delay of 24 hours would defeat the bill. Several Democratic Senators came to his support during the ensuing heated debate.

Work for Accord

While Senator Eugene Payton (D. South Bend), one of the leaders in the "revolt" was securing 10 pledges to pass the bill under suspension of the rules today, Senator White and other Administration leaders were working to heal the widening breach.

It was not until just before the Senate reconvened at 8 p. m. that the leaders were able to draw the others back in line and, with Governor Townsend attending, sat down in conference and came to a general agreement.

Nearly a score of proposed amendments were introduced when the chamber came back for the night session and considered the Markland Bill as a special order of business.

The principal subject of controversy was the tavern closing hours which the House Republicans had set at midnight and which the Senate Public Policy Committee had changed to 1 a. m. for cities of the first and second classes. The present law is 1 a. m. for all cities.

Arnold Motion Carries

Senator Walter Arnold (D. South Bend), introduced the successful motion making closing hours 1 a. m. in all counties having one or more cities over 50,000 population or having a lake resort with 1000 population for three months a year.

A group of Senators representing downstate counties introduced a motion to make the 1 a. m. closing time prevail in all counties of the Ohio River regardless of population. Although this motion carried, it was held up for reconsideration after Senator Jacob Weiss (D. Indianapolis) pointed out that Supreme Court decisions had held such special legislation invalid.

Senator Ura Seeger (D. West Lebanon) interrupted to warn his colleagues that if they "keep up this amending, patching and bickering, the issue at the next campaign will be on local option."

Charging there was "no justice in discrimination," he asked that the Senate either set a flat midnight or a flat 1 a. m. closing hour "to be fair to all."

The Markland Bill, when it left the House, provided for a bipartisan Alcoholic Beverages Commission and "home rule" local liquor boards. These were removed by the Democrats in the Senate committee.

Senator William E. Jenner (D. Shoals), minority floor leader, sought to have these provisions rewritten into the bill but was unsuccessful by close margins in each instance.

In urging adoption of the bipartisan commission provision, Senator Jenner shouted:

"You can't take liquor out of politics until you take the Commission out of the control of the Governor and cease to make the Administration a task."

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DEMOCRATS WIN SENATE BATTLE ON TEXTBOOKS

Lane Charges 'Whitewash' As Upper House O. K.'s Foes' Report.

The Indiana Senate today voted 26 to 16 to adopt the Democratic report on the findings of the Senate Textbook Investigating Committee, which the chairman, Senator O. Bruce Lane (R. Bainbridge) branded as a "whitewash."

After both Democrat and Republican reports were read, taking more than an hour, Senator Walter Arnold (D. South Bend), author of the Democratic report, introduced a motion to adopt the Democratic report and table the Republican report.

A heated debate followed in which the Democrats charged that the Republican members of the Committee had failed to follow in the investigation the charges made in the resolution setting up the investigation.

Charges Unfairness

Senator William Jenner (R. Shoals), Republican floor leader, told Democrats it "was unfair for them to use their top-heavy majority to whitewash the report."

Senator Thurman Eddinger (R. Marion), a member of the Committee, arose and shouted to the Democrats "you can reject this Republican report here but not in the eyes of the voters."

After more charges and counter charges, Senator Thomas A. Hendricks (D. Indianapolis) arose and buried the whole debate describing it as nothing more than a political discussion with "all eyes looking to 1940."

The Republican report charged that textbooks have been changed "more often than is necessary or advisable, that book recommendations of teachers were followed by the State Board of Education in only slightly more than 50 per cent of the cases and that textbooks frequently were adopted to divide business among various companies rather than on merit."

Report Denies Charges

"Absolutely no evidence was adduced before the Committee touching any irregularity, impropriety or indiscretion on the part of any officer or assistant to any officer connected with any department of the State concerning the letting or negotiations leading up to the letting of any contract or adoption, nor in any other respect concerning school textbook adoptions," the report stated.

The four propositions mentioned in the resolution were:

Charges that schoolbook adoptions by the State Board have "occurred with unnecessary frequency."

Charges that in a recent history adoption the textbook adopted "emphasized the Southern viewpoint" in connection with the Civil War.

Repeated rumors that "Indiana's citizens will pay more for textbooks during the next five years than duplicate books in other States."

"Repeated rumors that some person or persons have received and

Diplomat Dies



BERLIN, Feb. 25 (U. P.).—Frensis B. Gilbert, Charge d'Affaires of the American Embassy, died suddenly last night of heart disease. He was 55.

Mr. Gilbert had had a distinguished career. He was the first man to represent the United States in the League of Nations' Council. During recent months, since the withdrawal of Hugh R. Wilson, Ambassador to Germany, it had been his duty to maintain contact with the German Foreign Office and to present the series of notes which the State Department sent in an effort to safeguard interests of American Jews in Germany.

probably will receive in the future a "takeoff" of 15 per cent upon sales of textbooks in this State."

The Democratic report said the Committee findings showed that "the claim of unnecessary frequency of adoptions was false because the adoptions are mandated by law" and that "there has been absolutely no evidence brought before the Committee to support the charge or insinuation that the State Board of Education has been unnecessarily eager to effect changes in the texts."

"The direct contrary to the rumors that Indiana citizens pay more for the identical book adopted here than in other States, was proven," according to the report. "No book adopted can be or is sold in any other State... at a price less than it is sold to citizens of Indiana," it says.

The report of Democratic members claimed that "no evidence was proven" according to the charge that there is a "takeoff" in Indiana book adoptions.

Concluding the report Democratic members said that "some whole-some changes could be well effected in the laws on the subject of textbook adoption" but the Committee was not appointed to offer new legislation.

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CHANCES FOR LAWS AGAINST BINGO FADE

Voice Vote Keeps 2 Bills Off Floor of House.

Chances of enacting anti-bingo and lottery legislation by this session of the Legislature were dimmed today by failure of the House to force from committee two of its measures on this subject.

Two bills introduced by Rep. Ralph E. Hunter (R. Elizabethtown) have been pending in the House Criminal Codes Committee for more than two weeks.

An attempt by Rep. Hunter to require the Committee to return these measures to the House floor with or without recommendation failed yesterday on an overwhelming voice vote. If they had been reported out and advanced representatives might have been forced to go on record individually on these bills in the final roll call vote.

One of the bills would outlaw bingo and similar games and theater bank nights and the other would prohibit lotteries on athletic contests. Both contain penalty clauses calling for fines up to \$500 and imprisonment up to six months.

SON FREED ON CHARGE OF PLOT AGAINST DAD

RENNSELAER, Feb. 25 (U. P.).—Ralph Myers, 45, accused of conspiracy to murder his wealthy father, George Myers, was acquitted last night in Jasper Circuit Court by a jury which deliberated four hours and a half.

The elder Myers died in Florida last month among his bequests was \$1000 to Ralph.

Young Myers was charged with the conspiracy after two State policemen asserted that he had tried to bribe them with \$700 to kill his father as they passed as personal killers. They said Myers told them he once previously had attempted to hire a man to kill his father but that this citizen had taken his money and fled.

BILLING PARDON TO BE FILED

SACRAMENTO, Cal., Feb. 25 (U. P.).—A pardon application for Warren K. Billings, "forgotten man" of the Tom Mooney case, was expected to be filed with the State Supreme Court today. Initiative for the move rested with Governor Olson.

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Beginning Wednesday, March 8, in

The Indianapolis Times