

TAX DEFENSES ARE BEING BUILT BY ROOSEVELT

NATIONAL AFFAIRS
ROOSEVELT maps defenses for existing taxes.
WAGNER Law arguments presented.
HOUSE group considers Roosevelt's renewed request for 150 million dollars in relief funds.
DEADLOCK causes recess of labor peace policy.
TUNNEY testifies in Congressional monopoly probe.
SENATORS again take up fortification of Guam.

(Editorial, Page 14)

By THOMAS L. STOKES
Times Special Writer

WASHINGTON, March 15.—President Roosevelt is building up defenses to protect—as far as possible—existing taxes such as the undistributed-profits tax and the capital-gains tax from the increasing business pressure for repeal or modification.

His strategy, as unfolded in his pronouncements and those of his Congressional leaders, is twofold:

1. He and party leaders are agreed that revenues must be maintained at their present level in any rearrangement of schedules, so that any reduction in one tax must be made up elsewhere.

2. He and party leaders are warning of the danger that readjustment may increase the burden on small business.

Bids for Support

Thus the President is seeking to draw small business to his side in the forthcoming battle over revision, in order to prevent too much revision of the taxes which hit the big fellows.

The President revealed at his press conference yesterday that discussion thus far with Treasury officials and Congressional leaders had revolved about proposals to merge all corporation taxes into one tax. This, he explained, is still in the "study stage."

Mr. Roosevelt resumed his tax discussions today with Senator Harrison (D. Miss.), Finance Committee chairman, and Rep. Jere Cooper (D. Tenn.), of the House Ways and Means Committee. Secretary of Treasury Henry Morgenthau Jr. and Undersecretary John Hanes also participated.

This meeting today and the President's press conference remarkably dispelled the interpretation, drawn from statements by Speaker Bankhead and Senator Barkley (D. Ky.), that tax revision had been dropped for this session. The Speaker opposed any revision on the ground that readjustments might hurt small business.

Expect Strong Stand

These statements are interpreted now as indications that the Administration will take a position against any considerable revision, and seek to hold as much as possible.

Mr. Roosevelt cannot avert tax revision, for both the undistributed-profits tax and a bevy of nuisance taxes expire in the next few months and Congress must renew them, remodel them or let them lapse.

Pointing out that the various forms of corporation tax bring in more than a billion dollars, including undistributed-profits, capital-gains, excess-profits and capital-stock, Mr. Roosevelt explained that repeal or reduction of any of them would leave a gap which must be filled somewhere else.

If, in making up the revenue, Congress prorated the loss up and down the line, this would increase the tax on small corporations, he explained. He is against further taxes on the small corporations. The tax, he added, would have to go on the big corporations.

House Committee Scans Relief Fund Request

WASHINGTON, March 15 (U. P.).—The House Deficiency Appropriations Subcommittee began consideration of President Roosevelt's new request for 150 million dollars additional relief money today.

Democratic members of the subcommittee met briefly before the meeting opened, excluding Republican members. While waiting to enter the committee room, Rep. John Taber (R. N. Y.) charged that any reductions in relief rolls would be made "among the most deserving people for the purpose of creating pressure."

WPA Administrator F. C. Harrington denied that there was any attempt to use reductions to influence members of Congress.

Three Votes Certain

Two private polls by conservative Democrats counted only three out of 12 members of the Committee as certain to support the Administration. Polls of the Subcommittee indicated that five Democrats and four Republicans might oppose any attempt to speed the bill to the floor. Opponents of the bill feared the possible loss of at least two of these, but the Administration would need seven votes to report it to the House. This was the situation following Mr. Roosevelt's message in which he asserted that unless the request was granted WPA would have to discharge 1,200,000 persons and that those persons had about 3,800,000 dependents.

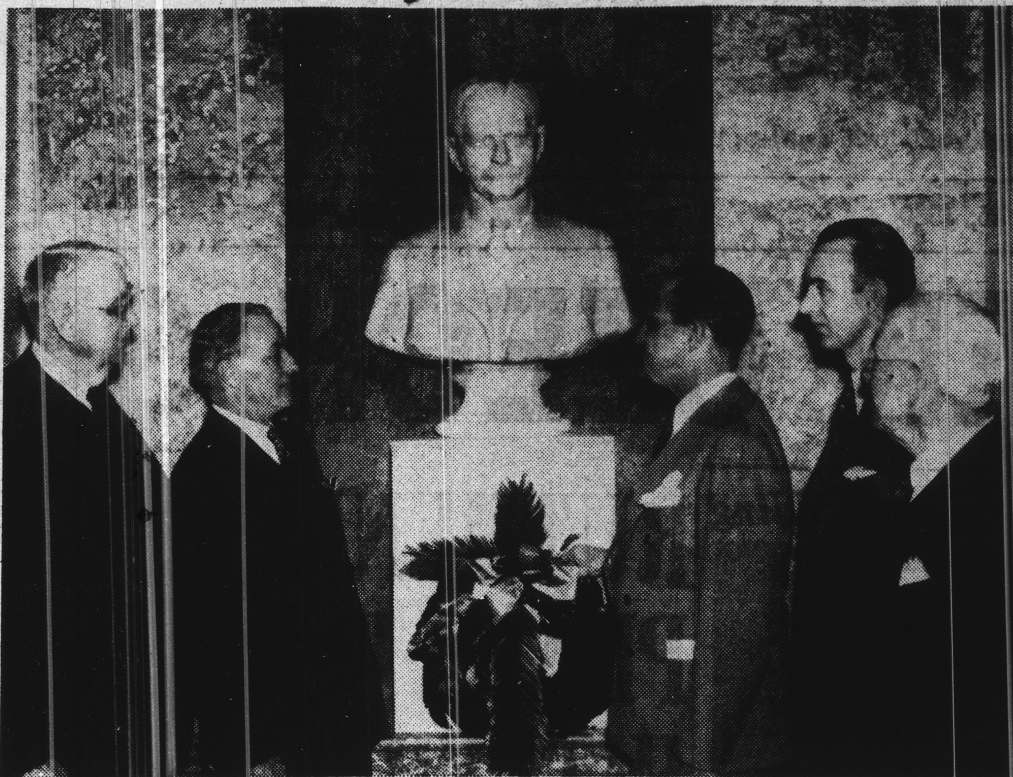
Calls for Showdown

While the subcommittee prepared to discuss the relief situation with Administrator Harrington, its acting chairman, Rep. Clifton A. Woodrum (D. Va.), called for a showdown on Government spending policies, immediate economies in appropriations, and a full Congressional investigation of WPA.

Rep. Edward T. Taylor (D. Col.), Administration supporter, has superseded Rep. Woodrum as acting chairman of the subcommittee while considering the renewed relief fund request.

LUGGAGE HEADQUARTERS
E. J. GAUSEPOHL
31 CIRCLE TOWER RILEY 9289

Hoosiers Pay Marshall Tribute



Members of the Indiana delegation in Congress paid tribute to Thomas R. Marshall, Vice President under Woodrow Wilson and a native Hoosier, by placing a wreath at his statue in Washington yesterday. Left to right are Rep. Louis Ludlow, Rep.

Eugene B. Crowe, Senator Minton, Earl J. Cox, William H. Larabee, Mr. Cox also used the occasion to announce formation of a McNutt-for-President Club in the District of Columbia.

Wagner Law Foes Use Hearing Delay To Strengthen Attack on Closed Shop

Union Groups Charge Move Is Attempt to Destroy Bargaining Rights.

By LUDWELL DENNY
Times Special Writer

WASHINGTON, March 15.—Wagner Law opponents are making use of further delay in Senate hearings to whip up sentiment against the closed shop. The widespread Washington hotel strike, which entered its third week today, much to the inconvenience of Government officials and Congressmen, is being used as a "horrible example," Senator Taft of Ohio, Republican Presidential candidate, assumed leadership of the amendment bloc yesterday in the Senate Labor Committee and broke the "indefinite" postponement of hearings.

Using again the argument that hearings would embarrass the A. F. of L.-C. I. O. peace conference, the Wagner Act defenders were able to hold off only until next Tuesday the time for fixing a hearing date.

The strategy of the so-called nullification group, supporting the Burke amendments, is to permit the C. I. O. fight against the A. F. of L. amendments to divide and confuse the pro-Wagner Law majority; and then use that opening to drive through the anticlosed-shop and other employer provisions.

Hope to Unite Labor

Although no counter agreement has been reached as yet by the warring A. F. of L.-C. I. O. factions, New Dealers hope to unite labor against the "nullification" amendments even though the C. I. O. continues its work on the A. F. of L. amendment to replace the Labor Board, which William Green calls pro-C. I. O.

The A. F. of L. itself is divided. Despite a face-saving resolution supporting the Green-Walsh amendment, the recent National meeting of the A. F. of L. Council in effect scrapped most of those amendments by the new (Barden) amendment to replace the present board with a five-man board.

New Dealers, in their latest attempt to arrange an A. F. of L.-C. I. O. truce on Wagner Law amendments, are using the employers' new move against the closed shop as an emergency reason for uniting the labor forces.

Has Three Provisions

The Burke and other amendments supported by the National Association of Manufacturers would knock the closed shop out of the Wagner Law by:

1. By outlawing so-called coercion and unfair practices by labor as well as by employers.

2. Limiting collective-bargaining representation to the "voluntary" choice of employees.

3. Eliminating the Wagner closed-shop protection, which provides: "That nothing in this act... or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization... To require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in Section 9 (A), in the appropriate collective-bargaining unit covered by such agreement when made."

Opposition Gives Position

In support of the anti-closed-shop position, employer groups will argue at the Senate hearings... That the closed shop gives a union dictatorship over the employer. That it gives union officials a dictatorship over employees as well. That it permits anti-labor and anti-public racketeering by a few unscrupulous union officials, some-

times despite the employer and sometimes in an unholy alliance with unscrupulous employees. That it invites an "extremist" rather than a reasonable attitude on the part of labor, and thus prevents true collective bargaining and workable contracts conducive to industrial recovery and progress.

That it breeds the "worst strikes," the strikes most unfair to the workers and the public, and the strikes hardest to conciliate, as witness the Washington hotel strike.

That the old argument for a closed shop—namely, to enable a union to enforce collective-bargaining rights—no longer applies because the Wagner Law itself now guarantees such rights.

That organized labor insisted on

PARLEY ON LABOR PEACE RECESSED

NEW YORK, March 15 (U. P.).—A deadlock on jurisdictional questions, it was reported today, forced the 10-day recess in peace negotiations between the American Federation of Labor and the Congress of Industrial Organizations.

A. F. of L. peace negotiators left New York to confer with President William Green "on questions affecting progress of the negotiations." It was reported without confirmation that the Federation's executive council would be called into special session or polled privately on some C. I. O. suggestions before the unity sessions resume March 24 in Washington.

It was said that the A. F. of L. committee will seek clarification of the precise meaning of an A. F. of L. council offer to take back without challenge the C. I. O. unions which formerly were in the Federation. The C. I. O. committee asked during negotiations whether this meant return of their original charters or acceptance of the extended jurisdiction these unions have taken since labor split in 1936.

Inability to obtain a definitive answer to this question was said to be holding up the negotiations and the recess was taken at the request of the Federation's committee.

The A. F. of L. and C. I. O. are exploded, for a purpose, to stand together in this defense of closed-shop protection for the Wagner Law.

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TUNNEY TO TESTIFY IN MONOPOLY QUIZ

WASHINGTON, March 15 (U. P.).—Gene Tunney, whose fight with Jack Dempsey involving a "long count" still is debated by the boxing fraternity, was scheduled to testify today before a Congressional committee that monopolistic control of the whisky industry threatens his company with a "short count."

Mr. Tunney, former world heavyweight champion, is now chairman of the board of the American Distilling Co. of New York. He will appear before the National Monopoly Investigating Committee.

The Federal Trade Commission has introduced data alleging that four large distillers have gained control of the \$1,250,000,000 business through production and price manipulation. Mr. Tunney, as a repre-

sentative of a smaller company, was expected to testify that the "big four" were forcing such firms as his out of business.

Guam Fortification 'Reservation' Sought

WASHINGTON, March 15 (U. P.).—Some Senators, seeking to avoid a fight over the Navy's request for five million dollars to improve the harbor at Guam, today considered a "reservation" that would express Congress' opposition to fortification of the Pacific island.

Chairman David I. Walsh (D. Mass.), of the Senate Naval Affairs Committee revealed that the proposal has been suggested informally to various Committee members, although it was conceded that such a statement of "policy" in the pending Naval Base Bill would not bind future Congresses. Opposition to such a "reservation" came immediately from sev-

2 STATE OFFICIALS TAKE OATHS TODAY

The oath of office was to be administered to two State officials today. Wilbur Fleenor, newly appointed Chief Deputy State Treasurer and Floyd I. McMurray, superintendent of public instruction, whose new term begins officially today, were to be sworn in by Supreme Court Judge Curtis G. Shake.

Mr. Fleenor was appointed yesterday by State Treasurer Joseph Robertson. He has been an auditor

in the State Highway Department and is a native of Seymour and a Indiana University graduate. He succeeds E. N. Keitner of Brownstown who died March 8.

FULL CREW LAW VOIDED
HARRISBURG, Pa., March 15 (U. P.).—The Dauphin County Court today declared unconstitutional the state Full Crew Railroad Law.

HAVE YOU SEEN THE HANDMADE XVIII CENTURY REPRODUCTIONS Made by BIGGS ANTIQUE CO. of Richmond, Va. NOW ON DISPLAY IN INDIANAPOLIS 110 N. PENNSYLVANIA FINAL WEEK

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Black or Navy Rayon Crepe

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Choice of three different styles in black or navy rayon crepe that cleans beautifully! Each a full length Redingote coat to wear over your print, pastel or dark colored spring dresses. Sizes 38 to 44 and 46 to 52 in the group.

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A New Kind of Irregulars—Their Beauty Is Unsurpassed!

"SHEERMODE" Wardrobe Silk Hose 79¢ PAIR

4-Thread for Morning! 3-Thread for Afternoon! 2-Thread for Evening!

Unlike ordinary hose, the leg and foot of "Sheermode" silk stockings are knitted in one operation, eliminating any possibility of a "shadow" across the ankle. To prolong their wear, every known safeguard is built into them. Available in Morning, Afternoon and Evening weights. In the new spring colors. Sizes 8½ to 10½.

Irregulars—are the stockings that escape by the narrowest of margins being classed as "frills." In most cases the imperfection is so slight that only the well-trained eye of the inspector can detect it. Buy them with confidence.

—Downstairs at Ayres.

Becoming Fetching and Gay! A New

Rough Straw \$2

High crowns, sailors, bumpers, discs, or pill boxes, and they're mostly veiled. Look pretty as a picture in one of these new rough straws. Choice of spicewood, chartreuse, wine, natural, black or navy. Head-sizes 22 and 23 in group.

—Downstairs at Ayres.