

## CONGRESS SHIES AT TAXATION OF U. S. SECURITIES

Wealth Flowing Into Bonds  
As Result, Drying Capital Market.

By THOMAS L. STOKES  
Times Special Writer

WASHINGTON, May 19.—The failure of capital to flow into investment in new enterprises and industrial expansion is regarded as one of the chief deterrents today to recovery.

Men of large wealth are putting their money instead into tax-exempt governmental securities of all sorts, thus helping to dry up the capital market.

Congress could restrict this diversion by putting a tax to further issuance of tax-free bonds by Federal, State and local governmental agencies, but has failed to act.

President Roosevelt, following the example of Presidents and Treasury Secretaries for many years, has reiterated his recommendation for legislation. He pointed out that the way now has been cleared by the recent Supreme Court decision holding that salaries of Federal employees are subject to state income tax, and that state employees, salaries are subject to Federal income tax. Congress now has enacted a law for this purpose.

### Only Lip Service So Far

Some think it follows that income from Federal, state and local governmental securities can be taxed by a simple act of Congress, thus obviating the need of a Constitutional amendment which many experts previously have argued was necessary.

Yet Congress is getting nearer to the end of its session without action, despite lip service by numerous leaders who have indicated they would push a bill through before adjournment.

The suspicion has been aroused that, through delay, the end of Congress still may find nothing done unless there is more prodding of the leadership by Mr. Roosevelt.

A special Senate committee, authorized at the last session of Congress and headed by Senator Brown (D. Mich.), has done a lot of investigating, but still has not made a report. The committee, originally delegated to report by March 1, got an extension of its existence until June 1.

### May Ask New Extension

Senator Brown said today that he probably would ask a further extension, though he said he and others would likely try to work through the Senate Finance Committee and seek an amendment to the anticipated bill for revision of corporation taxes.

His special committee now is said to stand 4 to 2 for a favorable report.

A prediction was made today by Senator Townsend (R. Del.), a member of the special committee, that there would be no legislation this session.

The House Ways and Means Committee, where tax bills originate, has a bill before it, but nothing thus far has been done. After it completes its amendments to the Social Security Act, Rep. Robert L. Doughton (D. N. C.) chairman, plans to begin work on a general tax bill, in which the elimination of tax-exempt securities could be included.

### Clark Is Determined

Most active in behalf of eliminating tax-exempt securities is Senator Clark (D. Mo.), who got an amendment to a tax bill through in 1933, when he first became a Senator. It was thrown out in conference between the House and Senate.

Senator Clark said today that Rep. Doughton had promised to include tax-exemption legislation in the first tax bill that was sent over from the House, but that he did not feel he could hold him to the promise as respects the social security tax measure, since a general tax bill is to come over later.

"If the House does not pass a bill or an amendment, I certainly will offer mine in the Senate," he said.

"You can count on that, and I'm certain that the Senate will pass it."

### STUDENT CASHES IN ON ROMANCE 'TO EAST'

BOULOGNE-SUR-MER, France, May 19 (U. P.)—Samuel Mercer, 19, an Oxford student from Omaha, Neb., and Lucy Jade, 20, blue-eyed daughter of an English professor, asked American and British consular officials today how to get married in France.

Mr. Mercer said that they had eloped from England after a council of both families had forbidden the marriage.

Explaining that he had sold the exclusive story of their romance to a London newspaper, Mr. Mercer added: "I have to be sordid about romance but we have to eat."

The couple were understood to be planning to go to Paris this evening.

### "DE-LUXE" SHOE REPAIRING

With These Features:  
• No Nails  
• Water-Proofed Cemented  
Shanks  
• Look Like New When  
Finished

Our Regular Prices:  
Men's Leather 79c  
Half Soles 49c  
Women's Leather 69c  
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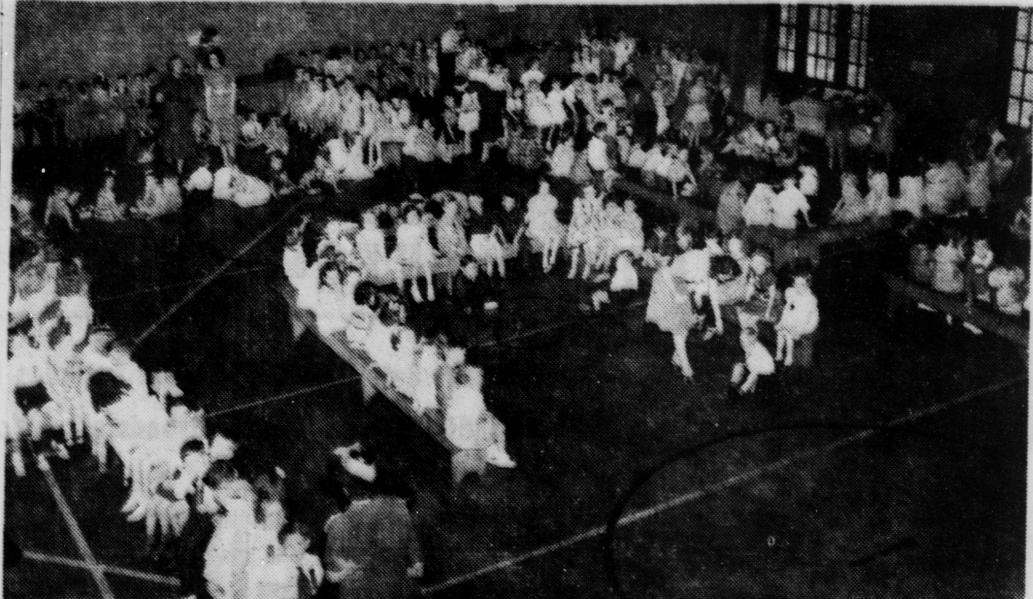
The method used fine  
enough for the highest  
quality shoes.

• While You Wait Service  
If Desired.

Blocks

Downstairs Store

## Free Kindergarten's Healthiest Honored



More than 600 of the healthiest children in the Indianapolis Free Kindergarten Society were honored yesterday at the Brookside Park Community House gymnasium.



Two of them, James Saxon (left) and David Ernest Teany took time out to discuss their blue ribbons.

## Master Saxon Brags of Our Perfect Condition

By JOE COLLIER

The way James Saxon put it was: "We're in perfect condition."

He was flying a blue banner that said he was one of more than 1200 Indianapolis Free Kindergarten children who won honors on Child Health Day.

More than 600 attended ceremonies yesterday at the Brookside Park Community House and as many more will be honored today.

James was sitting beside David Ernest Teany.

The way you knew he was David was for the occasion. Ushears were trying to find places for them.

On the platform were officials of the Indianapolis Free Kindergarten Society, sponsors of the affair. And Dr. Herman G. Morgan, City Health Board secretary, was the speaker of the day.

But the gymnasium. Rarely has there been so much perfectly parted hair gathered in one place before. Rarely so many spotless white shoes, and starchy little dresses, miraculously unwrinkled.

They sat in nicely suppressed excitement on benches, and waited. Sometimes they talked to each other, sometimes they got up and walked around. But mostly they just sat there and sparkled.

Two essential bits of domesticity had to wait yesterday while the health of these children was glorified.

Dinner probably was late in each home represented in the gathering, and there's no telling how many mud pies went unbaked while the kids stayed clean and prim on their own time.

Dr. Morgan Speaks

A chauffeur-driven station wagon waited patiently while the arrangements were made, and then moved in. Another mother got out of it and entered the auditorium.

Besides the mothers in the auditorium were the pre-kindergarten children they had brought along.

**JUNK DEALER IS FRANK**

KEOKUK, Iowa, May 19 (U. P.)—A little thing like a junk dealer didn't discourage a Keokuk junk dealer. He advertised: "Will re-open my place of business, having completed my 60 days in our county jail. Old and new customers appreciated."

Business Men...

## FOUR HOURS IN CHICAGO

HOME EARLY THE EVENING  
OF THE SAME DAY

A convenient service  
offered by the Monon's new train

## THE "Executive"

Those who have enjoyed it say it's the last word in convenience and comfort. This new modern, Business Man's train—the "Executive"—enables you to leave home or office in the morning. (Breakfast ready at 8:30 am). In absolute comfort, arrange details of your day's work. Enjoy a tasty luncheon and arrive in Chicago at 1:00 pm (Central Standard Time) ready for a full day's work.

You can "check in" Chicago—for business or pleasure—then leave for home at 5:00 pm on the Monon's famous Hoosier. Enjoy a Hoosier dinner—read, relax, listen to the radio. You arrive home at 9:15 pm having done a full half day's work in Chicago without having to be away from home over night.

### AIR-CONDITIONED COMFORT

Both the new Executive and the Hoosier are superbly equipped, air-conditioned trains. Modern coaches! Luxuriously outfitted, radio-equipped club-lobbies! Car observation parlor car! Library service! Famous Hoosier meals and courteous, efficient stewards, waiters and porters. Enjoy this new super-service on your next trip to Chicago... the only service of its kind.

### 4 HRS. IN CHICAGO

Schedule of  
THE Hoosier

Le. Indianapolis 5:00 pm

Le. Boulevard Sta. 9:12 am

Ar. Chicago 1:00 pm

Ar. Indianapolis 9:15 pm

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