



The Indianapolis Times

FORECAST: Not much change in temperature this afternoon and tonight.

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FINAL
HOME

PRICE THREE CENTS

U.S. Plans To Double Tax On Incomes Under \$10,000

SUB SINKS DESTROYER, 100 DIE

Victory Tax Program

WASHINGTON, March 3 (U.P.)—Enactment of the treasury's war revenue program would result in these annual increases in tax collections:

| | Increase over present yield | |
|---|-----------------------------|--|
| Individual income tax | \$3,200,000,000 | |
| Corporation taxes | 3,060,000,000 | |
| Estate and gift taxes | 330,000,000 | |
| Excise taxes | 1,340,000,000 | |
| Removal of special privileges | 680,000,000 | |
| Grand total | \$8,610,000,000 | |
| Less allowance for interrelated effects | 1,000,000,000 | |
| Approximate increase expected | \$7,610,000,000 | |

Here is the way the administration wants to increase individual income taxes over present levies:

| Income | Single person | | Married with 2 children | |
|-----------|---------------|---------|-------------------------|---------|
| | Proposed | Present | Proposed | Present |
| \$800 | \$8 | \$3 | | |
| 1,000 | 40 | 21 | | |
| 1,500 | 128 | 69 | | |
| 2,000 | 230 | 117 | | |
| 2,500 | 345 | 165 | \$32 | \$12 |
| 3,000 | 470 | 221 | 118 | 58 |
| 5,000 | 1,023 | 483 | 587 | 271 |
| 8,000 | 1,990 | 1,081 | 1,472 | 717 |
| 10,000 | 2,720 | 1,493 | 2,143 | 1,117 |
| 15,000 | 4,888 | 2,994 | 4,167 | 2,475 |
| 25,000 | 10,418 | 7,224 | 9,472 | 6,480 |
| 50,000 | 27,715 | 20,882 | 26,537 | 19,967 |
| 100,000 | 69,625 | 53,214 | 68,261 | 52,160 |
| 500,000 | 429,610 | 345,654 | 428,215 | 344,476 |
| 1,000,000 | 879,610 | 733,139 | 878,215 | 731,930 |

U.S. Levy Would Be Lower Than in Britain or Canada

WASHINGTON, March 3 (U.P.)—United States income taxes—even with enactment of the treasury's new proposals—would be lower than those of Great Britain and Canada on incomes of \$25,000 or less. A comparison for a married man with two children shows:

| Income | Proposed U.S. | Present Great Britain | Canada |
|---------|---------------|-----------------------|--------|
| \$2,500 | \$32 | \$530 | \$115 |
| 3,000 | 118 | 755 | 215 |
| 5,000 | 587 | 1,655 | 735 |
| 10,000 | 2,143 | 4,305 | 2,710 |
| 25,000 | 9,472 | 14,817 | 10,721 |

Mrs. Payne's Mind Unsound Night of Killing, Says Doctor

By JOHN L. BOWEN
Times Staff Writer

BLOOMINGTON, Ind., March 3.—Dr. James W. Wilshire, Bloomington physician who treated Mrs. Caroline G. Payne following an auto accident in 1939, told a jury in Monroe circuit court today that he considered her of "unsound mind" on the night of July 5, 1941, when Charles O. Mattingly was slain. His conclusion as to Mrs. Payne's

sanity was given at the close of a 48-minute hypothetical question posed by Frank J. Regester of counsel for Mrs. Payne, on trial on charges of killing Mr. Mattingly.

Mr. Regester traced Mrs. Payne's life from her birth, "about 1897," in Folk Township, Monroe county, to July 10, 1939, when Mr. Mattingly abandoned a 16-year romance with her.

Takes Stand Tomorrow

The defendant is scheduled to tell her own story to the jury tomorrow. She appeared this morning in a black skirt and freshly laundered white blouse. She stated that she had a good night's sleep and felt much better than she had since the trial opened.

Half-way through his question to Dr. Wilshire, Mr. Regester said:

"We will assume, doctor, that this woman has entered that period which is commonly known as a change of life. We will assume that the average age for the beginning of this period is 46. We will assume that women in this period commit peculiarities of nature alien to them under more normal conditions."

Cites Her Conduct

Mr. Regester pulled no punches in his efforts to invalidate prosecution evidence tending to show that Mrs. Payne slew Mr. Mattingly in a rage compounded of hate and Jealousy.

The lawyer made much of the point that Mrs. Payne had harassed Mr. Mattingly both before and after his marriage to his secretary at the Indiana public service commission, where he was attorney examiner.

The attorney emphasized Mrs. Payne's "more than 700 trips in less than two years" to Indianapolis and other towns trying to force an interview with Mr. Mattingly, whom she had accused of unfairly jilting her; her transactions with private detectives, and her assault on Mrs. Mattingly on N. Pennsylvania st. in Indianapolis.

"This very practice," Mr. Regester said, "proved the absolute disintegration of this defendant's mind, super-induced by the loss of Mattingly's love after many years during which she had cared for him."

'EASIER TO PAY AND WIN THAN TO LOSE WAR'

Morgenthau Says Only High Rates and Full Rationing Can Stop Inflation.

WASHINGTON, March 3 (U.P.)—Secretary of the Treasury Henry Morgenthau Jr., warning that war is cheaper to win than to lose, today asked Congress to double income taxes of persons earning under \$10,000 a year and increase other levies to raise an additional \$7,600,000 annually in war revenues.

He said that the nation can halt inflation only by coupling the steep taxes with complete rationing of consumer goods. More price control measures also were recommended.

"The sooner we come to complete rationing, the better," he told the house ways and means committee, which will draft the new bill.

May Begin Collecting in July

He proposed to start collecting some of the new high tax on this year's income in July instead of waiting until March, 1940.

The administration's "victory" tax program calls for taxing soft drinks one cent a bottle, increasing the whisky tax from \$1 to \$1.50 a quart, hiking the levy on a 15-cent package of cigarettes from 6½ to 8 cents and doubling the present gasoline tax of 1½ cents a gallon.

Every Home Affected

"The new taxes will be severe, and their impact will be felt in every American home," he said.

"War is never cheap; but . . . it is a million times cheaper to win than to lose. . . . Our task is to make the tax program an instrument of victory."

He urged that congress levy these annual increases in taxes:

Individual income, \$3,200,000,000; corporation, \$3,060,000,000; inheritance and gift, \$330,000,000, and excise, \$1,340,000,000.

Another \$680,000,000 would be realized by taxing income from state and municipal bonds—both existing and future issues, by requiring husband and wife to file a joint return and through plugging other so-called loopholes in present laws.

May Take Some at Source

The treasury requested authority to collect part of the individual income taxes at the source—up to 10 per cent of the taxable portion of salaries.

Treasury officials said this withholding form of collection might be put into effect next July 1 which would result in most taxpayers paying on two years' taxes at the same time—the final two payments of

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WEST COAST AREA CLOSED TO ALIENS

210,000 Face Ouster From Military Zones.

SAN FRANCISCO, March 3 (U.P.)—The army today declared the western half of Washington, Oregon and California, and the southern half of Arizona a military area from which enemy aliens and American-born Japanese will be ousted progressively to rid the Pacific coast of a potential fifth column threat.

Created in the most drastic step yet taken toward alien control, the area was designated by Lt. Gen. John L. Dewitt, chief of the western defense command, under authority granted by President Roosevelt and the war department.

It affected 140,000 enemy aliens and 70,000 American-born Japanese.

Gen. Dewitt emphasized that the proclamation merely sets up prohibited and restricted areas on the coast and does not represent an order for aliens and Japanese-Americans to move out. Evacuation will be ordered later.

Gen. Dewitt said the entire process would be progressive and gradual, aimed at clearing the vital district but avoiding economic hardship to the extent consistent with the military urgency which impelled the action.

The attorney emphasized Mrs. Payne's "more than 700 trips in less than two years" to Indianapolis and other towns trying to force an interview with Mr. Mattingly, whom she had accused of unfairly jilting her; her transactions with private

detectives, and her assault on Mrs. Mattingly on N. Pennsylvania st. in Indianapolis.

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HOURLY TEMPERATURES

6 a. m. . . . 31 10 a. m. . . . 33
7 a. m. . . . 32 11 a. m. . . . 33
8 a. m. . . . 31 12 (noon) 35
9 a. m. . . . 32 1 p. m. . . . 35

The U. S. O. in Hawaii



JAVA HOLDING; JAP INVADERS PUSHED BACK

Dutch Warn Island Must Fall if More Help Fails to Come.

By JOE ALEX MORRIS
United Press Foreign Editor

Dutch fighters have temporarily halted the Japanese advance in Java.

But there was little hope that the do-or-die stand of the courageous defenders would more than delay the overwhelming force of enemy invaders.

The Japanese already had troops estimated as high as 100,000 men ashore on Java and more were coming.

But the Dutch and their allies put up a brave and skillful fight.

Today's Dutch communiqué said that the Japanese had failed to gain Sunday on any of three invasion fronts they established on the north coast of Java, and W. H. McDougal, United Press war correspondent, reported from the front that the enemy had been driven back at least seven miles on one sector.

Accurate Reports Impossible

But Mr. McDougal's dispatches emphasized that there was lack of definite news concerning the central Java front, where the enemy has sought to cut the island in two, and that in some areas the fighting lines were so fluid that accurate reports on the trend of battle were impossible.

The courage and determination with which the Dutch were fighting on Java was emphasized by dispatches from the front, which told of frequent hand-to-hand clashes and of savage night battles with small enemy groups which were reported using a type of fire bomb or perhaps flame throwers in their attempts to penetrate the jungle and plantation country.

Japanese planes, although apparently not operating in great force, were active over Java, according to the dispatches, which did not mention allied air activities on Tuesday.

Jap Ships Knocked Out

On Monday, according to the communiqué, allied planes knocked out a dozen enemy aircraft and three ships lying off the coast. An enemy air raid on an airfield near Bondong this morning killed two persons.

The defenders are fighting in tropical heat and torrential rainstorms.

Mr. McDougal said that the center did not permit him to mention American forces in his telephone dispatch, but a report to the London Star told of Americans participating with Dutch and British troops in one night raid that wiped out a Japanese jungle force after bitter fighting not far from Batavia.

"Some of the native soldiers held huge banana leaves over their heads

(Continued on Page Five)

BRAZIL, U. S. SIGN MUTUAL AID PACT

Large Scale Production of War Materials Planned.

WASHINGTON, March 3 (U.P.)—The United States and Brazil today signed a series of agreements providing for large scale production of strategic war materials, including rubber and iron ore.

Members Were Deadlocked

This left the G. O. P. commissioners deadlocked, forcing Mr. Smith's friends to seek the democratic help of Mr. Holt. The latter agreed to vote for Smith after several conferences with him.

The three other members of the bi-partisan county liquor board are George Kincaid, former Republican county council member; William Sindlinger, and Lawrence Millett, both Democrats. Their reappointment will be due in a few weeks.

WPB LIMITS SALE OF GAS MASKS IN U. S.

WASHINGTON, March 3 (U.P.)—Manufacture and sale of gas masks and anti-gas devices not approved by government agencies was banned today by the war production board.