

HALF-AND-HALF PAY-AS-GO SEEN

House Group Modifies Ruml Plan in Urging 20% Pay Deduction.

WASHINGTON, March 2 (U. P.).—Tentative approval by a house subcommittee of a 20 per cent paycheck withholding on income and victory taxes after July 1 today brought support for a "half-and-half" application of the Ruml pay-as-you-go plan for canceling all of 1942's income tax.

The "half-and-half" proposal, it was pointed out, would forgive income payments for the last six months of 1942 and the first six months of 1943 merely through enactment of the withholding tax with amendments adjusting the difference in taxable income at the end of the year.

Members of house ways and means committee and its five-man subcommittee, which approved the withholding device, said the proposal has received considerable attention by both groups. They added that all proposals for canceling all or a part of one year's tax liabilities have been deferred for the present.

Too Late for March 15

Permanent postponement of action to dispose of a year's liabilities would give automatic effect to the "half-and-half" plan since no law exists for double collections.

Advocates of the Ruml plan, although not committed to the move to cancel part of each year's taxes, conceded that their original proposal for by-passing all 1942 taxes would have to be revised.

There no longer is sufficient time to enact a pay-as-you-go collection plan by March 15, the deadline for filing 1942 returns. The taxpayers will be required to pay two quarterly installments before the paycheck deductions begin.

Treasury Opposes Plan

Opposition to the "half-and-half" idea has been voiced by the treasury department, which dislikes the prospect of canceling any portion of 1943 levies because of the record income levels expected.

The withholding levy would impose 17 per cent rates on net income and increase normal exemptions by 10 per cent.

No deductions, such as the present ones for earned income credit, local taxes and charitable contributions would be allowed. This cut would be canceled by the exemption increases and reduction of rates from 19 per cent (normal and first surtax bracket) to 17 per cent, according to treasury estimates.

\$8 for Each Dependent

The weekly exemptions allowed under withholding would run \$26 for married persons, \$12 for single persons and \$8 for each dependent.

A net levy of 3 per cent paycheck deductions would be added to the 17 per cent income withholding rate to cover the present 5 per cent victory tax. This would not result in a reduction since exemption credits amounting to 2 per cent of the present tax are not allowed under the withholding device.

The subcommittee today takes up the question of how to extend the withholding recommendations to farmers, professional men and others who do not receive their income in checks and salaries.

DETAILS OF NAZI'S TRANSFER WITHHELD

OTTAWA, March 2 (U. P.).—Defense Minister J. L. Ralston told commons yesterday that it was "not in the public interest, at least at present," to release information as to why Ernst (Putzi) Hangstaengl, former friend of Adolf Hitler, was transferred from a Canadian internment camp to the United States. Ralston said the information should be withheld because several allied governments were concerned in the transfer of Hangstaengl, who was reported recently to be divulging secrets of the Nazi inner circle to the American state department in Washington.

LOCAL BAR TO MEET

Dr. Manley O. Hudson, professor of international law at the Harvard law school, will address the Indianapolis Bar association at 6:15 p. m. tomorrow at the Columbia club. Members are asked to bring a guest, Secretary Charles W. Holder said.

LIONS TO HEAR ALLEN

Rowland Allen, personnel director of L. S. Ayres & Co., and a member of the state personnel board, will speak tomorrow noon at a luncheon of the Lions club at the Claypool hotel. He will speak on "The Merit Law of Indiana."

Land Destroyers Aid Allies in Africa



This is the huge M-10 tank destroyer, made in the Fisher Body plant at Detroit, Mich., which has been playing a prominent part in routing axis forces in Tunisia. Note the sloping contour of the hull and turret designed to deflect enemy shells. (Passed by censor.)

BOARD IN ROW OVER BADGES

Mayor and Police Surgeon Get Them, but Action on Others Is Withheld.

Dissension flared in safety board ranks today over Mayor Tyndall's request for badges for non-police city officials.

The mayor requested badges for himself, city controller, members of the safety board and the police surgeon.

After refusing to authorize badges for themselves, the board members approved them for the mayor and the police surgeon—but withheld action on the others.

Chambers Is Opposed
Smiley Chambers, Democrat, voiced emphatic opposition to what he termed "indiscriminate" distribution of police badges to incumbents who have no official use for them.

Paul Robertson, Republican, replied that more than 100 badges granted individuals during the last administration still had not been returned. Mr. Chambers blocked the proposal to bestow a badge on City Controller Roy Hickman on grounds that Mr. Hickman would have no official need for it.

Mr. Robertson said he thought many of the "civilian" badges had been used for "not altogether official" purposes.

REALTORS' LICENSE BILL PASSES HOUSE

State regulation and licensing of real estate agents and brokers would be provided in a bill passed today by the house and now before the senate for final legislative action.

Strongest support for regulation of the real estate business in Indiana came from the northern part of the state where, according to supporters of the bill, there is a constant overflow of "fly by night" real estate operators from neighboring states.

Rep. Mick Coffing (D. Gary), author of the bill, told the house that the biggest problem of the real estate business in Lake county results from Chicago operators "who come into Indiana, pull a few fast deals and then hike back to Chicago where nothing can be done about it."

Chief opponent of the measure was Rep. Lloyd D. Claycombe (R. Indianapolis), who charged that the bill was "regimentation gone rampant."

Despite Rep. Claycombe's plea that proposed regulations would work undue hardship on the real estate business and that Marion county realtors were opposed to it, the house passed the measure, 74 to 11.

CREDITED WITH MIDWAY WIN

ADVANCED SOUTH PACIFIC BASE, March 1 (U. P.). (Delayed).—Admiral William F. Halsey, commander of allied naval forces in the south Pacific, today informally presented the distinguished service medal to his chief-of-staff, Capt. Miles R. Browning of Mountain Lake, N. J., and said that Capt. Browning's skillful planning was largely responsible for the rout of the Japanese at the battle of Midway.

Predict Army Reversal on Farm Deferment Measure

WASHINGTON, March 2 (U. P.).—The senate military affairs committee today ordered another five-hour delay in passing judgment on the hotly contested Bankhead bill to defer farm workers from military service. Debate on the measure behind closed doors convinced administration leaders that their immediate strength in the committee was insufficient to halt approval of the bill.

The committee agreed, after an hour of discussion, to vote at 4 p. m. on the measure which is sponsored by 49 members of the senate.

Senator Harry S. Truman (D. Mo.), an opponent of the measure, said the delay was decided upon "because it was clear that the committee members in favor of the bill can out-vote us."

Mr. Truman, chairman of the special senate committee investigating the war effort, said that spokesmen for the army tried vainly in a last minute appeal to swing sentiment in favor of their position that the bill is "dangerous."

Labor Draft Hearings Begun
After postponing action on the Bankhead measure, the committee began on hearings on the highly controversial Austin-Wadsworth national service bill which authorizes drafting for war work of men 18 through 64 and women 18 through 49 if they do not "volunteer" their services in satisfactory numbers.

Senator Truman's disclosure that the bill had an excellent chance for committee approval upset previous calculations that the military affairs group—which has not rejected a single major war department recommendation since Pearl Harbor—would follow Undersecretary of War Robert P. Patterson's plea that the bill be rejected.

Senator Bankhead also has introduced a bill to furlough skilled farmers now in the army. The committee has not acted on it either.

Opposed by Army Leaders
The Bankhead bills have been vigorously opposed by military leaders and other administration officials. Senator Theodore F. Green (D. R. I.), in a special manpower report, has pointed out that farmers on productive farms already are deferred from military service and that it is not the army but high wage rates in industry that have weaned farmers away from the land.

Bankhead and his farm bloc supporters contend that the United States faces serious food shortages unless farmers are kept out of the army. His bill would have no effect on farmers going into war industry.

There were increasing indications that the real fight over the manpower controversy, which has become more confused with each passing day, will be on the Austin-Wadsworth bill.

Opponents of the draft-labor bill have tagged it "the dictatorship bill" and promised a "no quarter" fight when it reaches the senate floor. Senator Burton K. Wheeler (D. Mont.) has denounced it as an attempt to impose slavery on the American people.

The news followed the warning contained in yesterday's communiqué that the arc of Japanese held islands north of Australia was being constantly reinforced.

On the northeastern New Guinea front, allied ground patrols from the Gona area destroyed four large Japanese barges in the mouth of the Waria river. This was the first mention of allied ground activity that far north along the New Guinea coast and it may be that the convoy carried reinforcements for hard pressed Japanese forces.

U. S. PLANE TRAILS AXIS SHIP TO DOOM
LONDON, March 2 (U. P.).—An American Liberator bomber played tag all day with a blockade-running German ship in the Atlantic until the British cruiser Sussex came up and sank a vessel at dusk, the admiralty announced today.

The German ship was first reported to be an oil tanker but it was learned unofficially that it may have been carrying other cargo. The Liberator, in the latter stages of the chase, had the company of a flying fortress manned by a British crew, and a German Focke-Wulf plane.

There was no work for the fortress, but its crew stayed to cheer the sinking. All the Focke-Wulf accomplished was to prevent the Sussex from picking up the ship's survivors.

HOW'RE THE CHANCES OF HANGING HITLER?
LONDON, March 2 (U. P.).—Sir Leonard Lytle, conservative member of parliament, asked Richard Law, undersecretary for the foreign office, in the house of commons today: "Can you hold out any strong hope that we shall be any more successful in hanging Hitler and Goering than we were in hanging the Kaiser?" Law did not reply.

NORSE STEAMER SUNK
LONDON, March 2 (U. P.).—The Berlin radio reported today that 12 "British agents" seized the Norwegian steamer Tromsøund in a Norwegian fjord Sunday and set out for Britain, but the ship was sunk by German bombers.

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SYMPHONY BILL NEAR ADOPTION

Approved by Senate, It Returns to House for Concurrence.

The Indianapolis Symphony bill, which was passed by the state senate yesterday, was to be returned to the house for concurrence in amendments today and then will go to Governor Schriker for his signature.

It will permit the Indianapolis school city and the civil city to appropriate up to \$25,000 each for the support of the Indianapolis Symphony orchestra and provide concerts for school children and the public at nominal cost.

The bill passed the senate 33 to 9 after previously passing the house by a vote of 63 to 20. Senator John Atherton (R. Indianapolis) told the senate that the orchestra has been a "great cultural benefit to Indianapolis and the surrounding communities."

Doubts Many Enjoy It
Senator Clyde Black (R. Logansport) said he was opposed to any measure that would "tax the many for the enjoyment of a few." He said he didn't think that more than 15 per cent of the public "enjoy symphony music."

Senator Arcada Balz (R. Indianapolis) replied that the reason "only 15 per cent enjoyed good music is because the other 85 per cent can't afford the high prices."

He said the bill would bring the symphony's music "in the reach of the many."

Johnson Gives Thanks
Senator Robert Lee Brokenburr (R. Indianapolis) said it was one way to "counteract bad music." Senator Howard Johnson (R. Mooresville) expressed "the appreciation of the surrounding communities for the Indianapolis symphony orchestra."

Senator James Armstrong (R. Springfield) said he would vote for the bill because the Marion county senators wanted it.

"But two years from now I'm going to introduce a bill for the support of the Bedford basketball team and I'll expect the Marion county senators to go along with me then," he said.

REPUBLICANS BLOCK WELFARE LIEN BILL

Proposed restoration of the lien provision to the state welfare law was shelved today for another two years.

Republican members of the house met in caucus last night and ratified an earlier policy committee decision to do nothing about welfare liens. The bill to permit the welfare department to take liens on property of old-age benefit recipients will die on third reading without going to a vote, it was agreed.

The Indiana Farm Bureau, taxpayers' groups and other proponents of restoring the lien provision contend that it is costing the welfare department \$1,000,000 a year to be without means of recovering portions of the old-age benefits paid out. The lien provision was repealed in 1941.

It was understood that the lien provision will be taken up again two years hence when the results of a two-year investigation of the welfare department can be crystallized into bills to improve the entire welfare setup in Indiana.



Politics BY EARL RICHERT

SO BADLY do proponents of the drastic financial responsibility bill want it passed this session that they have sought to avoid fire by removing the political aspect of the bill.

It has been amended in the senate to leave the department of financial responsibility, which would administer the law, under the Democrat-controlled department of public safety.

As the bill passed the house, it would have placed the department of financial responsibility under the direction of Republican Secretary of State Rue Alexander.

Some doubt existed as to whether the transfer of the department from a department controlled by Governor Schriker to Mr. Alexander would have been legal under the 41 supreme court "ripper" suit decision.

The insurance interests, anxious not to have their bill thrown out because of a mere technicality of jurisdiction, had the measure changed.

No provision was included in the bill by the senate Judiciary A committee, however, to cover the increased costs of operation which the passage of the measure would entail.

There are reports that the insurance companies themselves will put up money to start out the expanded operation. This was said to have been done in New York where a similar law is in effect.

'Big' Money Involved

The effect of passage of the bill would be to "make it the easy way out" for every automobile owner in Indiana to carry accident and liability insurance.

Proponents of the measure argue that anyone owning an automobile which might cause death or injury to another person should have sufficient insurance to pay for the damage they cause.

But almost overshadowing this point, which is a good one, is the undisputed fact that the bill's passage will mean virtually millions of dollars in extra business for the accident and liability insurance companies doing business in Indiana.

It unquestionably is "big business" legislation.

And it comes at a time when the average automobile owner has an "A" card and is driving less than ever before. Many car owners have dropped their accident and liability insurance policies since rationing started.

Ft. Wayne Boys Win

ONE OF THE best "pressure shows" of the session was put on yesterday by the Ft. Wayne bloc of the Republican party.

They wanted and got their bill giving their Republican city officials about, if not, the biggest income of any city officials in the state passed over Governor Schriker's veto.

They recruited State Chairman Ralph Gates who practically contacted every Republican legislator personally before the vote was taken in both houses.

The Republican battle cry was that Governor Schriker had made the matter a political issue by vetoing the measure this time when he let a similar measure become a law two years ago without his signature when Anderson had a Democratic majority. (Both the present salary increase bill and

ception of the supreme and appellate court judges, receive. Ft. Wayne Republicans said that the question of the increased salaries was the main issue in the last election and that since they won by several thousand votes it was evident that the voters approved the high salaries.

DESERT NAZI ARMY?

LONDON, March 2 (U. P.).—Reports from Europe indicated today that desertions and monotony are depleting Adolf Hitler's army and the London radio declared he intends to fill front-line posts with between 1,500,000 and 2,000,000 foreigners.

HOOSIER DIES IN ACTION

WASHINGTON, March 2 (U. P.).—The war department last night announced that Pvt. Paul S. Shriver was killed in action in the southwest Pacific area. His mother is Mrs. Ruth Shriver, 117 1/2 N. Broadway, Greensburg, Ind.

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Conservation is one of the answers—intelligent, cooperative conservation. The great American car pool, for example, and skillful maintenance... heavier,

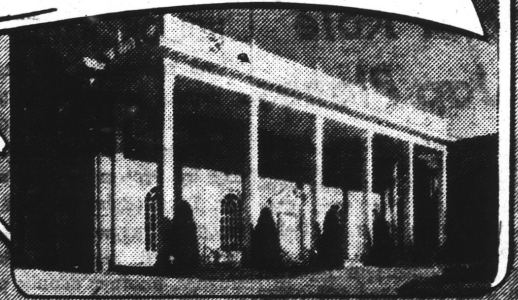
more efficient loading... quicker turn-arounds... standardization of equipment... substitutes for strategic materials... even wooden box cars are being converted into carriers of oil. These are some of the devices which are helping American Railroads—with no substantial increase in equipment—to break every record of railroad history for freight, passenger and troop movements.

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