

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

WASHINGTON, March 2 (U.P.)—Tentative approval by a house subcommittee of a 20 per cent pay-check withholding on income and victory taxes after July 1 today brought support for a "half-and-half" application of the Rum plan 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 Rum 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 is no longer is sufficient time to enact the 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 18 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 total \$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, professionals 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 proposal 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 skilful 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 40 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 open 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" for the army. His bill would have no effect on farmers going into war industry.

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.

### Big Jap Convoy Sighted Moving South in Pacific

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

It was the first Japanese move to indicate the reason behind the enemy's concentration of forces in the islands north of Australia which had been under way for weeks. It was revealed in Gen. Douglas MacArthur's communiqué today and indicated that the Japanese had been concentrating for offensive rather than defensive action.

The communiqué said that yesterday afternoon, when the convoy was first sighted, weather conditions were such that an aerial attack of the sort that in the past have wrecked Japanese attempts to reinforce their New Guinea forces, was impossible.

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### 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, admiringly 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?

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"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 Tromsøsund 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 Schricker 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 Brockenbrough (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. Springville) 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," he said.

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 service.

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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 bills.

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.

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 in the north along the New Guinea coast and it may be that the convoy carried reinforcements for hard pressed Japanese forces.

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## 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 bill, 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.

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