

ESTABLISHED IN 1886. The Indiana Printing and Publishing Co. Publishers of Indiana Evening Gazette

R. H. Ray, President; N. D. Witt, Vice President; Secretary; B. Dwight, Treasurer. R. H. Ray, Editor; Frank B. Smith, City Editor; Vincent C. Neeson, Advertising Manager; B. Dwight, Circulation Manager; John Woods, Business Manager.

Subscription Terms by Mail to Indiana County: Daily, per month, \$3.00; Daily, per quarter, \$8.00; Daily, per year, \$28.00.

MEMBERS OF ASSOCIATION OF PUBLISHERS: The Indiana Evening Gazette is a member of the Association of Publishers of the United States.

National Advertising Representatives: The Advertising Club, 1421 Chestnut St., Philadelphia, Penna.

Entered as Second-Class Matter, October 10, 1901, at Postoffice at Indiana, Pennsylvania, as second-class matter.

Wednesday, March 30, 1938

AN OBJECT LESSON FOR BIG CITY POLICE

For a year and a half two detectives have searched for the maniac "torso killer" who butchered nine victims in Cleveland between September, 1935 and July, 1937. Peter Merylo and Martin Zaleski have not found the mad killer—but they have made Cleveland a much safer city to live in and along with that they have given an object lesson to other large American cities.

You remember the story of the torso killer. It is a story to equal the most hideous of all crime stories. Apparently working alone and always attacking unknown, friendless wayfarers, this madman has struck nine times. That is, the police have found nine bodies. There may be more. Always the bodies were decapitated. Always they were found in lonely, tumble-down sections of the city. There were no clues. Merylo and Zaleski were working blind when they started on the case.

The two detectives have arrested 300 suspicious characters around the Kingsbury Run jungletown that is believed to be the hangout of the mad killer. Careful checks showed that none of the 300 was the murderer. But Merylo and Zaleski have gotten other convictions against a third of the 300—many of whom were potentially as dangerous as the maniac fugitive. They have been responsible for the confinement of 47 insane persons.

Most of the men convicted were potential murderers. Many of them were the worst kind of sex criminals, the crazed men whose animal brains conceive inhuman brutalities. And all of them were free men, walking the streets of a great city because the police just hadn't done the work necessary to get them into jails or insane asylums.

Merylo and Zaleski are confident that they will eventually get their man, despite the fact that the last body was found around nine months ago. But whether they succeed or not, the two men have already performed two great services.

First, they have jailed 100 men, most of whom were fully capable of and willing to commit murder.

More important, they have called attention to the fact that these menaces to society were at large—not because they were the story-book type of criminals too clever for the police, but simply because the police had never gotten around to the detailed searching and day-after-day hammering that was needed to round them up.

The odds are that most large cities have their full share of such potential killers, men ready to commit any crime from petty burglary to a murderous attack on a woman or a child.

Peter Merylo and Martin Zaleski have taught Cleveland and the nation a lesson. It is to be hoped that the lesson will be well learned.

THE "20-16" PROVISION

By Rodney Dutcher

The last ragged remnant of the New Deal's effort to exert some degree of control over the business situation through taxation will be destroyed when and if Chairman Pat Harrison of the Senate Finance Committee succeeds in having the corporation undistributed profits tax completely repealed.

All that's left is the "20-16" provision in the tax bill passed by the House. This imposes a tax of 20 per cent on the profits of corporations earning net income of more than \$25,000 a year, with a credit of four per cent against that tax for each dollar paid out in dividends.

Roughly, this is the way it works out: A corporation with a net income of \$100,000 pays a \$20,000 tax if it does not distribute any of its earnings. But if it distributed all its earnings, the tax would be only \$16,000. Distribution of 50 per cent as dividends would mean a tax of \$18,000.

Prior to the revenue act of 1936, which carried a rate of 32.4 per cent on corporations retaining their earnings, dividends paid by corporations were subject to surtax on the stockholders' income tax return but not to the four per cent normal tax.

Today the individual pays both normal rate and surtax on dividends. Instead of the stockholder being credited in the attempt to avoid "double taxation," it is the corporation paying the dividend which would get the great under "20-16."

The four per cent credit for profits distributed is designed as an inducement for corporations to pay out as much in dividends as they reasonably can. Its advocates consider it a persuasive device rather than a bludgeon.

They fear that if there's a flat corporation rate, as Harrison proposes, a great number of corporations would decide to accumulate surplus in abnormal proportions—first, because of the great amount of dividends paid out last year under the old surplus profit tax and, second, because of fear of another surplus profits tax in the future. Such a strong tendency to keep money in the corporate sock would have a strong deflationary effect and reduce potential purchasing power.

And it is still argued that corporations which retain profits instead of distributing them have an unfair advantage over those which pay out profits in dividends.

Opposition to "20-16" comes chiefly from corporations which want to accumulate surplus rather than pay dividends and from those who fear that any retention of the undistributed profits tax principle may make it easier for a subsequent Congress to enlarge upon that principle again in future tax legislation.

Speaking of the House Ways and Means Committee tax bill hearings, conservative Chairman Robert Doughton recently said:

"Practically every witness showed an utter lack of knowledge of the effect of the proposals in the bill and even of the existing law as it applied to his own business, except that they had to pay a little more in taxes."

JOE KENNEDY TALKS A LOT OF SENSE.

The presence of that red-headed Irishman at the Court of St. James makes a lot of Americans feel better about their country's chance for peace. Joe Kennedy gives signs of being the ambassador that the United States has needed for a long time. That first speech was simple, it was straightforward, it was sensible. If Great Britain—or any other country—gets funny ideas about how the average American looks at the world scene it won't be Joe Kennedy's fault.

It was good to read in Kennedy's speech such passages as these:

"Most Americans insist that their country retain its independent and unmortgaged judgment as to the merits of world crisis as and when they arise."

"Where the present interests of Great Britain and the United States meet is in the prevention of this generally feared world war."

"If the nations should again become engulfed in the cataclysm of a general war, we should make ourselves very strong and then pursue whatever course we considered to be best for the United States."

"But for the United States"—that's putting it the way it ought to be put and leaving room for no misinterpretation. Joe Kennedy is a plain-speaking man. He wants the position of his country to be understood. He said that two ideas were wrong. One was that the U. S. wouldn't fight under any circumstances short of actual invasion, and the other was that the U. S. could never remain neutral in the event of a general war. When Kennedy says that the great majority of the American people prefer the middle ground he is right right. The American people believe that keeping to such a course is the surest way to keep out of war.

Joe Kennedy will be no errand boy at St. James. He will lick no boots. And the British should like him and respect him for those reasons. They received his speech enthusiastically, even when he frankly warned that the U. S. would go whichever way seemed best to the U. S.

Kennedy said that Americans refuse to believe in the inevitability of war. That is true. The American outlook is not fatalistic. Neither is it foolish. Americans know that there is a good chance that most of the big nations of the world will be at one another's throats—and soon. But with men like Joe Kennedy in the important posts in the foreign service, a great many Americans feel that their nation is a great deal less likely to mix in the bloody mess. They remember all too well Ambassador Page's maneuverings prior to America's entrance into the World War. Many of them still blame Page. And the great majority of them hope that Joe Kennedy won't make the same mistake.

FOOTBALL TAX.

Is college football a big business or an essential state government function? The answer will seem pretty obvious to anyone who has ever attended a big-time game and, along with some 50 or 60 thousand other people, paid upward of \$3 for a seat.

But the U. S. Supreme Court has been asked to decide the issue. Robert H. Jackson, U. S. solicitor-general, has sent a brief to the high court demanding that the University of Georgia and the Georgia School of Technology pay federal taxes on their games. The regents of the schools claim that in staging the games the colleges are in reality "engaging in the performance of an essential government function" and that the tax would be an unconstitutional burden on the state. Seeking a reversal of a lower court decision, Jackson contends that football is hardly one of the functions that the founders of the federal government intended should be reserved for the several states.

But why all the fuss on the part of the schools? Who will pay the tax anyhow? You guessed it: the same people that pay all the other taxes. Nobody, of course, but the Great American Public.



The Washington Merry-Go-Round

By Drew Pearson and Robert S. Allen

FDR's Fighting Words At Gainesville Make Advisers Feel Better: His Failure To Act On Recession Mystified and Discouraged All: 'Too Cautious To Fight' Their Slight On Refusal To Spend Again: They Hope Hell Be Old Fighting Roosevelt When Vacation Ends.

WASHINGTON—The President's tough-talking speech at Gainesville, Georgia, grated harshly on the ears of certain elements, but to his close advisers it came like the voice of singing angels.

They had awaited the address with bated breath as an indication of the peerless leader's frame of mind. What they specifically wanted to know was whether he was going to continue talking his base on heels, or was going to step to the plate and hit his way out of the current six months coma of inaction.

So the fighting words at Gainesville pepped them up enormously and they are now hopeful that he will bestir himself energetically regarding the recession.

For a while the President is pondering the economic problem under the balmy skies of his Warm Springs retreat. But daily it becomes clearer that unless the President gets with the old-time Roosevelt victors, he may spend his last two years in office as bitterly disliked as the ill-fated Herbert Hoover.

People Expect Miracles: The most important question asked by American business men today is: "Why doesn't Roosevelt do something to end the recession?"

Having won for himself the reputation of "miracle man" and having been given greater power than any other peace-time President, Roosevelt is paying the penalty.

People remember the decisive way in which he acted during his first term. They have been especially reminded of this late by reading his own description of what he did in 1933 during the bank holiday and unemployment crisis.

Now they are wondering at the reason for the inactivity. And those who are doing the wondering, strangely enough, include some of the closest friends around him. They are just as mystified as his most caustic critics.

They are mystified, and even more discouraged. One of them, a member of the Securities and Exchange Commission and a staunch believer in stock market regulation, remarked:

"When the Ship of State is listing, what difference does it make if the passengers in the first class cabin cheat at cards?"

Roosevelt Mystery: Various explanations are put forward by members of the Inner Circle for Roosevelt's six-months inactivity. Most of them are pure speculation, but they include:

He is preoccupied with the sinister international situation. He wanted Congress to push him into spending more relief and emergency money.

He wanted business men also to push him. He didn't want to begin a new spending program himself because it would be an admission that the 1936 recovery was built on insecure foundation.

He didn't believe that the recession was going to be serious, thought it would right itself with a little breathing spell to business.

With the exception of the first, there is probably some truth in all of these reasons. There are, in addition, two other factors more complicated to explain but important none the less. One is the fact that this country has been operating on a spending program for years—though we haven't al-

ways known it—and Roosevelt is now trying to balance the budget. The World War days were nothing but a huge spending spree, spending money which Europe was supposed to pay back, but never will. Then after the war came the era of lending money to South America and Europe, money which was largely spent for goods right here in this country, and which never will be repaid.

Right on the heels of this came the Coolidge Bull Market, when people spent the paper margins—which later vanished into thin air. Then came Roosevelt's spending program plus the bonus, which shot the prosperity index to the skies.

And now, in a few short months, the country is down to almost no spending.

Note: Henry Morgenthau, chief opponent of spending, now seems to have been won over to the idea.

Sudden Caution: The other important factor is Roosevelt's sudden cautiousness. He is like the men who work on New York skyscrapers. When one of them is killed by a fall, the rule on all high building construction is that work stops for the rest of the day.

This caution is not motivated by fear of carelessness on the part of the surviving workers. Just the opposite—the men become so careful that they lose their sense of balance, their sangfroid, their confidence, and accidents result.

Roosevelt also has become cautious—both tired and cautious. Now he looks carefully before he takes each step. Theoretically this is what he should do, were it not for the fact that Roosevelt normally follows his hunches, not the rule of reason. He has rare political instinct, but today he's not acting on it. He's being so super-careful that it's painful. And it may be that having been up to the high places and shown the awful chasm of political defeat awaiting anyone who lets the country down into another lasting depression, the President has become too cautious to fight.

This was the way Inner Circle minds were running until the Gainesville speech. Now they are feeling decidedly better. They are hoping that when the President returns to the Capital, he will be the old, laughing Roosevelt.

At any rate, the next few weeks will tell the story. They will determine whether Gainesville was merely a puff, or the opening salvo of a new offensive.

(Copyright, 1938, by United Feature Syndicate, Inc.)

Barbs

Viennese motorists, kept busy heeling Hitler, must be doing a lot of one-handed driving these days.

A vacuum cleaner company reports increased sales. Their business is still picking up.

Apple exports for the last part of 1937 were up 23 per cent. Everywhere we turn we get the same reports of a Big Apple year.

In a duel with swords, a Paris lawyer nicked one of his clients. Business procedure carried over to the battlefield?

A drifter, a dollar, a stockholder's holler. Oh Chihuahua boom-de-ay, down in old Monterey. It looks like hysterics in the midst of the 1938s.

(Copyright, 1938, NEA Service, Inc.)

Remember, you got your wish. I am a Senator now. Zeke Bonura, baseball player, to Vice President Garner after Bonura's acquisition by Washington Senators. There is enough T. M. T. in this group to dynamite the lock-jam of industry.—Fannie Hurst before New York City consumers' rally.

40 Years Ago: Issue of March 30, 1898. Campbell's Mill, which is owned and operated by A. P. Baker, was considerably damaged by the flood of last week. The big waterwheel was badly wrecked and the cribbing torn away. The damage will approximate \$200. While he was searching through a drawer for a missing article A. S. Work of Marion Center found the original roll of Company A, 61st Regiment, Pennsylvania Volunteer Infantry. The roll is highly valuable as a relic and had been lost since the close of the war. The photographic picture, "Reflection," taken by J. L. Nix of Homer City, is receiving public attention. Besides taking the grand prize at the Carnegie exhibit in Pittsburgh, it has been copied by a couple of photographic journals and the April number of the popular magazine, "The Puritan," prints it as one of the prize winners.

15 Years Ago: Friday, March 30, 1923. DEATHS—Samuel Streams of Indiana; Michael Chaube of Twin Rocks. France ready to act when Germans make offer in good faith. But settlement must be precise, serious and direct. Walter Short, Jr. of Hillsdale, Pa., sustained a fractured back in a fall of rock in the mines at Brenner. He is in Latrobe Hospital. The King Razor Manufacturing Co. here does not want 90 girls—yet. Mr. and Mrs. Clark C. Neal of McIntyre are enroute to their home after spending the winter in Tampa, Fla. Easter will be a fair day. Lorentz optimistic despite gloom from Washington. Mrs. Fred W. Pace and her son, Frederick, of Roseville, O., are visiting her mother, Mrs. Josephine Jones, of West Philadelphia street.

10 Years Ago: Friday, March 30, 1928. No issue available.

MONTGOMERY

Ivan Fetterman will hold church services at this place April 3. Mr. and Mrs. Johnny Wright and daughter, Nellie were among the guests who attended the golden wedding anniversary of Mr. and Mrs. Felix Trimble held at Cookport.

Mr. Kooser and wife, Burt Clark and wife and son Billie attended services at this place Sunday.

Mrs. Annie Walker visited at the home of Beulah Cassidy Thursday. Mr. and Mrs. Carl Gorman and the former's mother visited at the home of John Wright Sunday.

Frank Frock, Huey Frock and wife and two children visited at the home of Will Windman at Martinsburg Sunday last.

Mrs. Snyder of Rochester Mills spent Friday at the home of Mrs. Eric Pennington. Clarence Walker of Rochester Mills, visited his mother Sunday.

Russell Wetzel is moving his family from the Walker home to the Glen Lowman residence near Deckers Point.

Mrs. Paul Orr of Ernest is visiting her mother, Mrs. Maggie Roulkey of Glen Campbell.

So They Say

Remember, you got your wish. I am a Senator now. Zeke Bonura, baseball player, to Vice President Garner after Bonura's acquisition by Washington Senators.

There is enough T. M. T. in this group to dynamite the lock-jam of industry.—Fannie Hurst before New York City consumers' rally.

Just Arrived - New PHILCO AUTO RADIO. 4 MODELS \$24.95 UP. GREATEST VALUES AND LOWEST PRICES IN PHILCO HISTORY! Model 926 (Illustrated) \$39.95. Complete with new Philco Control and new Reception Control. Don't buy any auto radio until you've seen and heard these exciting new Philcos! They're the last word in tone, power, performance and beauty... and, model for model, the greatest auto radio values of all time! Quickly and easily installed in any car... or transferred from one car to another. Come in for a demonstration... and learn why 32 leading cars specify Philco exclusively! Only \$6.00 down \$1.25 a week. Radio Dealers - Garages - Service Stations are requested to phone, call or write for attractive dealer proposition and get an early start selling these fine Philco Auto Radios. Blair F. Uber. Largest Radio Store in Pennsylvania. Opposite Post Office Phone 955 Indiana, Pa. We have made hundreds of auto radio installations—We will trade in your old Radio—Sell on easy time payments, give you an expert installation and free service—The new 1938 Philco Auto Radios are 50% better and sell at lower prices. FREE INSTALLATION — OPEN EVENINGS.