



The Indianapolis Times

(A SCRIPPS-HOWARD NEWSPAPER)

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"Give Light and the People Will Find Their Own Way."

Where Farmers Sing

There's at least one group of American farmers who still can sing, "A farmer's life for mine!"

This cheerful fact is recalled by receipt of a \$600,000 check by the United States reclamation service from its first and most successful project, the Salt River valley project in Arizona.

These 7,500 Arizona farmers owe Uncle Sam \$3,000,000, which will be paid off in twenty years. Then, unless unforeseen things happen, they will own outright the great Roosevelt dam, four other power dams, canals, pumping plants and their own 235,000 acres of citrus and winter vegetable land.

In twenty years they not only will have free water and power, but they will get their monthly dividend checks from the sale of surplus power to nearby towns and mines.

Salt River valley is typical of the twenty-seven reclamation service settlements. From the sale of public lands, the government started this great pioneering movement in 1901. The only money ever appropriated by congress for this purpose has been returned—\$20,000,000.

And in one generation there have been added taxable values to the nation of a half billion dollars, 2,000,000 acres of wealth-producing land where once was desert, fifty power plants earning \$1,000,000 a year, cities, towns, prosperity and contentment.

These projects are paying up their debts in spite of depression and overproduction.

Of course, it's all paternalistic. It's the very opposite of Mr. Hoover's "rugged individualism." It is governmental encouragement to public ownership of power. But it works.

And it is to be noted that, apparently with the President's consent, the latest, biggest and most sensational of these governmental power dams has been christened by Secretary Wilbur "the Hoover dam."

A Cure for Coal

Depressions may come and depressions may go, but the coal industry continues to go down. Even at the height of American prosperity, three basic industries were depressed. If the next cycle of prosperity is to help the country as a whole, some way must be found to bring health to those long sick industries: Agriculture, textiles, and coal.

Certainly there is no easy or simple way out for agriculture. Solution of the farm problem probably will be a long time coming, because it involves a fundamental readjustment in the relation of country to town in the machine age, as well as the immediate task of timing supply to demand.

But there is rather general agreement that sweeping and quick reforms could be made in the textile and coal industries by the simple expedient of modernizing labor policies.

This is the conclusion of the report on coal issued Monday by the Russell Sage foundation. In its survey of conditions in the central competitive field—Illinois, Indiana, Ohio and western Pennsylvania—the report covers the last thirty years and analyzes labor agreements and 10,000 disputes.

Extension and improvement of union organization and collective bargaining are found to be necessary:

"So long as a large part of the coal industry in the United States remains disorganized in its human relations, there can be little co-operation in the elimination of waste and conservation of coal."

It follows naturally that:

"Giving coal miners a share in the management of coal mines, in regard to their working conditions, yields direct benefit of a freer, more satisfied and, therefore, more efficient body of workers."

There is too much blood on American coal—to many miners killed, too many miners maimed, too many miners unable to make a living wage in the dark, dangerous pits.

A Magna Charter of Rehabilitation

If there is an economic expert in the United States today whose words should command the respect of thinking persons it is Dr. Leo Wolman, just appointed to the chair of labor problems at Columbia university. Speaking to the National League of Women Voters, he offered a triad of measures which he stated would bring swift and sure revival of prosperity. His proposals were:

"First, a Federal bond issue of at least \$3,000,000,000 to be expended as quickly as possible on construction work, leading to the employment of nearly 750,000 workmen, and stimulating private business."

"Second, compulsory unemployment insurance, imposing the full cost of the fund on industry with each industry being permitted, under state supervision, to set up and administer its own reserves."

"Third, creation of instrumentalities for future control of business and industry in the form of a central agency, composed of representatives of business and government, which will perform the function of observing and interpreting the major factors which affect the business situation and which will exercise at least a minimum of control over the chaotic forces of competitive industry."

It is hard to find fault with this program, unless one were to suggest that the burden of unemployment insurance should be divided among industry, labor and the public. But there is no evidence that those in a position of authority will abandon the talkmill and get down to business along such lines.

About Wage Reductions

"Wage cutting does not mean curtailment in the cost of manufacturing. Wages amount only to 16.2 per cent of factory cost, and a 10 per cent cut in wages results in a saving of only 1.6 per cent."

"Real wages—by that I mean wages in relation to cost—never were inflated. From 1921 to 1929, real wages increased only 13 per cent. During the same period, returns to industrialists grew 72 per cent, and in the same years dividends in industrial stocks and rails grew 256 per cent."—Dr. Julius Klein, assistant secretary of commerce.

"These business depressions are like a snowball going downhill. It gathers size and force as it moves. Pay the American workingman less wages and through sheer force of necessity he will have to purchase less. When he purchases less, the retailer's income is cut. When that income is cut, profits in business of the manufacturer are cut. That means more men laid off, so that the vicious circle keeps moving around."—Alfred E. Smith.

"If reduced wages could make industry thrive, it is strange that the farmer does not get along well. Nothing should be high in this country but wages. Let us maintain wages, increase consumption, and reduce prices. The development of industry will attend to that. We shall find a level."

"Interest charges instead of wages are the burden of business. It is interest charges that should come down, and not wages. One of them is artificial,

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other essential interest is the heaviest burden of modern man. Whoever invented interest, invented a treadmill."—Henry Ford.

Democracy's Only Way

There have been plenty of charges that Mr. Hoover is somewhat less of a social engineer than we believed him to be in 1928. But his reaction to Senator La Follette's proposal of an extra session of congress is the first notice that he himself abdicates this position. He says:

"We can not legislate ourselves out of a world economic depression; we can and will work ourselves out."

Probably one should not be too dogmatic about the need for an extra session of congress or about the good things it might accomplish. But Mr. Hoover's statement about the futility of legislation is highly significant.

It so happens that legislation is the only effective means of social engineering in a democracy. To maintain the ineffectiveness of constructive legislation is to confess inability to carry on any large-scale social planning and to put it into operation through wise laws.

The hope of "working ourselves out" is nothing more than our trust in God, good luck, or economic anarchy. This is a natural, perhaps the easiest and laziest, reaction to our problems. But it is not the masterful response of a great social engineer.

Shade of Jefferson

Should the secretary of labor of the United States act indirectly as hangman for foreign desots?

Not if we understand American history or constitutional law. But this is where Mr. Doak is heading for right now.

The labor department's policy has departed two stages from sound American tradition and precedent. We started out by offering asylum to foreign radicals and were proud of their presence here. Jefferson numbered them among his closest personal friends.

Then, after the World war, we began to get nervous, in spite of our 120,000,000 souls and the wide expanse of the Atlantic and Pacific to protect us against the Red plague abroad, we launched the deportations delirium of the Mitchell Palmer days.

But in the first stage of the deportation fury it was the custom to let a deported man go to the land of his own choice and designation. It was enough to get the source of poison off our own sod.

Now the secretary of labor has advanced to another stage. He assumes to act indirectly as the executioner of foreign radicals. He will not let them go back to the land of their choice, but insists upon sending them to the country of their nativity, where death is the almost certain result.

There have been several notorious cases, among which the pending ones of Guido Serio, the anti-Fascist leader, and Tao-Hsuan Li, fellow alumnus of Leland Stanford with President Hoover and vigorous opponent of Chinese imperialism, are the most striking.

If Serio is sent back to Italy he will be shot or condemned to a slow death on one of the penal colonies.

Li most certainly will be shot if he is returned to China.

Li is a well-educated man, a graduate of Leland Stanford and at present a graduate student in electrical engineering in New York university. Both these men will be welcomed in Russia.

If we wanted to remember American history, we would let these men stay in our midst. But if we have chills and want to get rid of them, then our protection is assured once we head them to a foreign land where they will be received, be this Russia or Lichtenstein.

There would seem to be no justification for our secretary of labor to act even indirectly as lord high executioner for II Duce or Chiang Kai-shek.

The man who hates to be told how to run his car often is grateful for driving lessons at the golf links.

As any golfer will tell you, distance is three-quarters stance.

You can't accuse a symphony conductor of being high hat because he puts on arias.

As a result of the downfall of royalty, even card players are looking upon the king as a joker.

REASON BY FREDERICK LANDIS

THOMAS A. EDISON, burned his fingers the other day when he took hold of the wrong bottle down in Florida.

It's risky business these days to trust any bottle.

Scott Fitzgerald, the novelist, says the jazz age ended two years ago, which is welcome information, since most of us had overlooked the fact.

The Kirkland case is over, but a lot of people are continuing to wonder what it was that financed the elaborate defense put up in the two trials.

ENTERPRISING citizens of Akron want President Hoover to ride from Washington to Akron in the great dirigible which bears their city's name, but we suspect they are going to be disappointed.

These continued robberies in broad daylight bring the painful reflection that some of these days this country is going to find it necessary to be positively disreputable.

They've held up everything else and some day a brace of bandits is going to overtake the bounds of discretion and go into court and hold up the judge, the lawyers, the juries and the witnesses.

Possibly that might put a burr under the tail of our complacent procedure.

WHEN the Russian government finally gets to the bottom of it they'll find that the wreck of this submarine, which has been lost in the North sea is the result of another capitalistic conspiracy.

These business depressions are like a snowball going downhill. It gathers size and force as it moves.

Pay the American workingman less wages and through sheer force of necessity he will have to purchase less.

When he purchases less, the retailer's income is cut.

When that income is cut, profits in business of the manufacturer are cut. That means more men laid off, so that the vicious circle keeps moving around."—Alfred E. Smith.

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