

# The Indianapolis Times

(A SCRIPPS-HOWARD NEWSPAPER)

ROY W. HOWARD . . . . . President  
BOYD GURLEY . . . . . Editor  
EARL D. BAKER . . . . . Business Manager

Phone-Kiley 5551

Member of United Press, Scripps-Howard Newspaper Alliance, Newspaper Enterprise Association, Newspaper Information Service and Audit Bureau of Circulations.

Owned and published daily (except Sunday) by The Indianapolis Times Publishing Co., 214-220 West Maryland street, Indianapolis, Ind. Price in Marion county, 2 cents a copy; elsewhere, 3 cents—delivered by carrier, 12 cents a week. Mail subscription rates in Indiana, \$3 a year; outside of Indiana, 65 cents a month.

MONDAY, JAN. 2, 1933.

## CRIME AND TAXES

If there is to be any real advance toward the reduction of taxation, one of the problems which must be considered is the cost of the care of criminals.

The prisons of the state all are overcrowded, some of them to the extent where the congestion itself becomes a moral hazard and makes repentence or reformation impossible.

The whole system is political, rather than reformatory and because it is political, it is costly in the extreme.

There is something monstrously incongruous in calling an institution a reformatory and then sending there young men with sentences of twenty to fifty years.

There is something more than monstrously incongruous in any institution which does not operate on the principle that society is to be protected and the prisoner returned is an asset and still holds out the theory that reformation is the chief purpose of punishment.

The crime problem can not be handled by sadists or guards. It requires a more scientific and more humane attitude of mind than has been evidenced in recent years.

In the matter of pardons and paroles, the Governor is now compelled to take the advice of trustees of the prisons. The trustees, in turn, are largely influenced by the reports of the keepers, who are generally selected because of political services rather than fitness or capacity for handling difficult human problems.

If they are good business men and keep the contract jobs running, they rank high. That those who leave their custody go back in increasing percentages to crime, does not count against them.

Unquestionably, there are hundreds of men in prison who could be safely returned to society. They made mistakes. Circumstances were responsible for their crimes. Many need medical treatment more than harsh surveillance.

Unquestionably, also, there are many in prison who can never be safely trusted to return to society. They have been unfitted by training or by health, especially mental health, to life in a complex organization.

Before politics under Governor Jackson abolished the old pardon board probably to more securely close the lips of one D. C. Stephenson, there was some semblance of balancing the needs of society and the individual character of the prisoner.

Today the system works harshly and badly and the taxpayer pays a huge bill for which nothing is gained and must is lost.

The state maintains many experts, so that scientific study of prison cases should not be an additional burden.

At the state hospitals it has experts on mental diseases. At the state university it has experts in psychology. At its colleges are also trained men and women in social work.

A central board of pardons, calling upon these experts for advice in mental matters, together with a real parole system that means something more than finding a poorly paid job for an applicant who may be totally unfit for that job, are worth consideration.

## LOCAL ECONOMY

The cry for government economy is directed principally toward Washington and federal expenditures, though local and state governments spend twice as much and take it more directly from men of small means.

The need for reducing public outlays already has resulted in a billion-dollar reduction in the federal government's annual budget. Local and state governments have cut their much larger costs only half a billion dollars. This fact is the heart of the tax problem at the present time.

Local services generally contain more duplication and waste than those furnished by the government in Washington. Many city and county officials are paid for walking around in one another's tracks. Two assessors, two tax collectors are maintained where one could do the work more efficiently.

Small road building units are paid for at heavy cost, when the state could do the work much less expensively and much better.

But, while there is local perception of these facts, little is done about it. Most taxpayers have their noses too close to the grindstone to give the necessary time and thought to organizing successful crusades against wasteful local government.

On the other hand, the men who support the federal government, income taxpayers, have plenty of money with which to carry on the fight for cuts in their tax budgets. Through countless devices the attention of the country is fixed upon this task until even owners of heavily taxed farms and homes begin to feel that the far-off government in Washington is more to blame for their troubles than the nearby government, to which no one is paying much attention.

Federal expenses must be cut, but local expenses must be cut more. Until county government is reformed or eliminated, special tax districts consolidated, cities required to cut out all dead wood, homes will continue to be sold for taxes.

## HANDS OFF THE COLLEGES!

Disquieting is the report just made to the New Haven convention of the American Association of University Professors on cases of current tampering with free teaching.

Professor S. A. Mitchell of the University of Virginia reported a large increase in cases of political and religious interference in 1931 and 1932 over 1929. There were sixty-six cases this year, compared with seventeen in 1929.

The most flagrant case was removal of eighteen professors from Texas Technological college. Intimidation there appeared to have been potent enough to frighten all the remaining faculty members from serving on an investigating committee.

Governor "Alfalfa Bill" Murray of Oklahoma is accused of having demanded the resignation of a college president for failure to prevent professors from attending a forbidden political rally.

The chief offenses are reported from the 400 smaller colleges, especially in the south, "where

political and religious prejudices menace freedom and tenure."

These assaults on liberty and science are doubly deplorable at this time. While men like Newton D. Baker are striving to save free education from unwise economies, politicians should be given no spurious excuse to lay hands on the colleges.

Today, above all other times, education and research are needed. Bankers, captains of industry, statesmen, and other guides of the nation are bewildered and helpless before new problems. Where may they turn for objective guidance if not to the institutions of higher learning?

The United States has invested more than a half-billion dollars in its colleges and universities. If any adequate return on this generous investment is expected, these institutions must be manned by free and unfettered scientists and teachers. Otherwise, they will fail the nation in its most serious crisis.

The political busy-bodies and religious Mrs. Grundys should be forced to keep impious hands out of the colleges.

## HOW WE HAVE SUFFERED

The dominant note of the depression has been that "we all have suffered." Samuel Insull, for example, uttered such words some months before his debacle.

This illusion of a real democracy of misery in depression America is exploded very sadly by one of the ablest and most distinguished of living economists, Professor Paul H. Douglas, in an article on "Whose Depression?" in The World Tomorrow.

The most crucial item connected with the depression and the possible ways out is the distribution of American purchasing power. Until the masses get the money in their pockets to buy commodities, all talk about gold standards, tariffs, war debts, foreign trade, bonuses, boycotts, and the like is the merest twaddle, when it comes to any hope of opening our factories and getting business to humming once more under capitalistic auspices.

Professor Douglas' article sticks to this theme with the relentless persistence and the results are devastating. First, he considers the total amounts paid in wages to American workers in manufacturing industries since 1928, using that year as 100 in the index. The following is the story told by the United States bureau of labor statistics:

Year	(1926 equals 100)
1926	100
1927	97
1928	95
1929	100
1930	80
1931	60
1932 (to September)	38

In short, in September of this year, the money wages paid to laborers in all manufacturing industries were only a little more than one-third of what they were in 1929. But many will retort that the cost of living also has declined. True, but to no comparable degree.

Since 1929 the cost of living has declined by about 20 per cent, according to the best index available. After making allowances for this decline, even the real wages (wages in terms of purchasing power) of manufacturing workers are in 1932 only 49 per cent of what they were in 1929.

When one goes beyond the manufacturing workers and brings within his ken all seventeen classified wage-earning groups, the laboring army of the United States, Professor Douglas estimates that their total wage income in 1932 could not have been more than 45 per cent of what it was in 1929.

Here we have the clinical bullet of the patient whose recovery must precede the revival of prosperity for American society as a whole.

Some thirteen to fifteen millions are out of work and the wage income—the core of American purchasing power—of those working is less than half of the income in wages in 1929.

What about the "fellow-sufferers" who clip coupons and cash dividend checks? Have they slipped comparably? Not unless one concentrates on the misleading figures relative to depreciation of paper values on the stock exchange.

Their income has held up phenomenally. The following are the figures on interest and dividends since 1926, compiled by the august and conservative Standard Statistics Company:

Year	Total dividends and interest payments (in millions)	Relative Amounts
1926	4,391	100
1927	5,571	129
1928	6,028	137
1929	7,588	173
1930	8,578	196
1931	8,228	187
1932 (estimate)	7,000	160

In other words, with wages at 45 per cent of what they were in 1923 and 1929, total disbursements for dividends and interest still are 60 per cent above what they were in 1926, and only 8 per cent below what they were in 1929.

When one goes beyond the manufacturing workers and brings within his ken all seventeen classified wage-earning groups, the laboring army of the United States, Professor Douglas estimates that their total wage income in 1932 could not have been more than 45 per cent of what it was in 1929.

Here we have the clinical bullet of the patient whose recovery must precede the revival of prosperity for American society as a whole.

Some thirteen to fifteen millions are out of work and the wage income—the core of American purchasing power—of those working is less than half of the income in wages in 1929.

What about the "fellow-sufferers" who clip coupons and cash dividend checks? Have they slipped comparably? Not unless one concentrates on the misleading figures relative to depreciation of paper values on the stock exchange.

Their income has held up phenomenally. The following are the figures on interest and dividends since 1926, compiled by the august and conservative Standard Statistics Company:

Year	Total dividends and interest payments (in millions)	Relative Amounts
1926	4,391	100
1927	5,571	129
1928	6,028	137
1929	7,588	173
1930	8,578	196
1931	8,228	187
1932 (estimate)	7,000	160

In other words, with wages at 45 per cent of what they were in 1923 and 1929, total disbursements for dividends and interest still are 60 per cent above what they were in 1926, and only 8 per cent below what they were in 1929.

When one goes beyond the manufacturing workers and brings within his ken all seventeen classified wage-earning groups, the laboring army of the United States, Professor Douglas estimates that their total wage income in 1932 could not have been more than 45 per cent of what it was in 1929.

Here we have the clinical bullet of the patient whose recovery must precede the revival of prosperity for American society as a whole.

Some thirteen to fifteen millions are out of work and the wage income—the core of American purchasing power—of those working is less than half of the income in wages in 1929.

What about the "fellow-sufferers" who clip coupons and cash dividend checks? Have they slipped comparably? Not unless one concentrates on the misleading figures relative to depreciation of paper values on the stock exchange.

Their income has held up phenomenally. The following are the figures on interest and dividends since 1926, compiled by the august and conservative Standard Statistics Company:

Year	Total dividends and interest payments (in millions)	Relative Amounts
1926	4,391	100
1927	5,571	129
1928	6,028	137
1929	7,588	173
1930	8,578	196
1931	8,228	187
1932 (estimate)	7,000	160

In other words, with wages at 45 per cent of what they were in 1923 and 1929, total disbursements for dividends and interest still are 60 per cent above what they were in 1926, and only 8 per cent below what they were in 1929.

When one goes beyond the manufacturing workers and brings within his ken all seventeen classified wage-earning groups, the laboring army of the United States, Professor Douglas estimates that their total wage income in 1932 could not have been more than 45 per cent of what it was in 1929.

Here we have the clinical bullet of the patient whose recovery must precede the revival of prosperity for American society as a whole.

Some thirteen to fifteen millions are out of work and the wage income—the core of American purchasing power—of those working is less than half of the income in wages in 1929.

What about the "fellow-sufferers" who clip coupons and cash dividend checks? Have they slipped comparably? Not unless one concentrates on the misleading figures relative to depreciation of paper values on the stock exchange.

Their income has held up phenomenally. The following are the figures on interest and dividends since 1926, compiled by the august and conservative Standard Statistics Company:

Year	Total dividends and interest payments (in millions)	Relative Amounts
1926	4,391	100
1927	5,571	129
1928	6,028	137
1929	7,588	173
1930	8,578	196
1931	8,228	187
1932 (estimate)	7,000	160

In