

## The Indianapolis Times

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ROY W. HOWARD . . . . . President  
TALCOTT POWELL . . . . . Editor  
EARL D. BAKER . . . . . Business Manager

Phone-Kiley 5551

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## SCHOOLS DEMAND THOUGHT

AS some millions of school children all over the United States are getting themselves squared away for the coming year, their fathers and mothers profitably might spend a little time in meditation about the present plight of the entire school system.

Few public services have felt the depression more than the schools. Teachers have gone unpaid, school activities have been cut, some schools have been forced to extend their holiday periods, others have had to close entirely, nearly all have had to drop certain courses and consolidate a number of activities.

Nor is that the worst. While all this has been happening, there has been developing an influential and vocal group which has insisted that the schools have been getting more than their share of tax revenues, even in good times.

We are being told that our school system is far more elaborate and more expensive than it need be. It is being argued not only that the school budget must be reduced drastically during the depression, but that the reductions must be permanent.

Any one who ever has paid taxes will admit that the schools have been costly. It probably is true that many school executives have become a bit self-important in their claims for tax support.

Some towns have built school buildings on a too-elaborate scale. Some schools have tried to include too many things in their curricula.

Nevertheless, admitting that there has been extravagance and lack of judgment in many school boards, one far more important fact remains unchanged. It is simply this: Our whole society is built around the public school system, and any drastic change in the school system must have far-reaching effects on the entire nation.

We are committed to a political democracy, and we now are trying to broaden it to make it an industrial democracy as well. To make a go of it, we must have a body of citizens whose minds have been given all the training, all the enlightenment, which they can assimilate. The system simply can not work otherwise.

Before we consent to permanent reductions in our public school services, we must do some very careful thinking.

## SLOWING UP THE PARADE

SPEED is the essence of NIRA. Anything that holds it up is properly suspect.

Despite the wide flutter of blue eagle wings under the temporary presidential agreement, many of the individual codes are being delayed. This holds off business recovery.

Surprisingly enough, most of the argument, and consequent delay, is not over the wage and hour scales—the main factors in boosting purchasing power and achieving the purpose of NIRA. Most of the fuss, rather, is over individual clauses, which, in turn, brings in some form of price-fixing.

The statement has been made that of the more than 600 codes all but four or five provide for some form of direct or indirect price-fixing. This means that the country, without warning and for the most part without even being aware of the fact, is being plunged into something it never bargained for.

The dangers involved are clear enough. It entails, in effect, a government guarantee of operating costs, which in many cases can mean a government guarantee for inefficiency. Instead of creating a condition of fair competition, as provided by the law, it would in many cases virtually eliminate competition.

And experience shows that this is bad not only for the average industry, but disastrous for the consumer.

There may be exceptional cases, involving nonreproducing natural resources, such as oil, in which some form of government-controlled price-fixing is essential to national welfare. But that is far different from the method of slipping unguarded price-fixing clauses into most of the codes.

The danger is especially acute in retail codes. Fortunately, the cabinet recovery board, General Johnson, and the consumers' advisory board of NRA see that danger. The consumers' board takes the position that the codes should be held up, pending a very thorough study by government statisticians and economists of the cost-plus and invoice-plus figures presented by private groups, and of the entire price-fixing policy.

But the rub is that the codes can not be held up without sidetracking the recovery parade.

Under the circumstances, in justice both to consumers and to the larger interests of the recovery program, the codes should be signed without the price control clauses, which can be considered on their own merits and added to the codes later, if justified by facts.

## MACCORMICK, PRISON REFORMER

MODERNIZATION of the Federal Industrial reformatory at Chillicothe, O., and appointment of Austin H. MacCormick as superintendent mark another milestone in America's slow progress in the treatment of criminals.

The new institution is the best of its kind in America. Like the new federal Northeastern penitentiary in Pennsylvania, it goes on the theory that it is better business to make convicts into good citizens than to turn them into hardened crooks on society.

It will take some 1,100 first offenders, segregate, treat, educate, and train them. Doctors will sure the body sick, psychiatrists the mentally sick. By means of the merit system, the young offenders will be graduated from harsher to milder punishment and, when fitted

for the world, will be turned loose under the parole system.

Mr. MacCormick, now assistant director of federal prisons, is a pioneer in prison reform. His new position gives him opportunity to demonstrate that the new methods are sounder than the brutalizing routine common to most county and state prisons.

The Wickersham commission two years ago exposed the common practices of prison torture, overcrowding, political control, and inhumanity.

To the credit of the Hoover and Roosevelt administrations, the federal bureau of prisons is leading the way toward fundamental reform.

## WELCOME VICTORY

NOW Gar Wood holds the top prize of motorboat racing by a title so clear as to be beyond any cavil and objection, and it is an occasion for the warmest congratulations.

King of speed boat pilots since he brought home the Harmsworth cup from England in 1920, he has been pursued by a "breakdown jinx." Something nearly always happened, although not to his boasts. His rivals one after another were unable to finish, making his championships a barren solo routine.

It climaxed in the controversy which soured his 1931 race with Kaye Don, and when Don came back for another try last year the jinx halted the challenger in mid-career.

And now Wood's Miss America X has gone up against Hubert Scott-Paine's Miss Britain III, the two flashed together over the full course to the closest finish in cup history, and Miss America X won.

Gar Wood's sportsmanship has been vindicated, and Scott-Paine hopes to come back next year with a faster boat. Who could ask for more?

## LIVERPOOL CLEANS HOUSE

IT is extremely interesting to read that the city of Liverpool, in England, is about to spend around \$35,000,000 to rebuild its slums.

Nearly 13,000 ancient and insanitary houses are to be demolished and 16,000 new ones are to be built in their place, to provide homes for some 40,000 people.

Liverpool's slums have had an unenviable reputation for many years. If they have not been the worst in England they have been very close to it; and the vice, illness, crime, and general bad citizenship which they have bred have cost Liverpool many times the sum which it is to be spent on slum abolition.

Liverpool's willingness to spend money on that scale in a time of depression might be a useful object lesson for a number of cities on this side of the Atlantic.

## THE SHIP OF BLASTED HOPES

THE ship which Henry Ford chartered for his famous peace party eighteen years ago has been sold for junk. She was a 10,000-ton liner, built in England for Danish owners.

Under ordinary circumstances, she would have worked out a prosaic salvation in the freight and passenger service, going to the scrap heap, unwept, unhonored, and unsung.

The one great moment of her career, even though it proved a fiasco, warrants more extended obituary notices than usually bleed such craft.

This ship stands for the blasted hopes that have buoyed up a distraught civilization during the last two decades, the fantastic dreams and wild ideas by which ingenious minds sought to circumvent reality.

Like thousands of others, Mr. Ford saw no reason why Europeans should not quit fighting. Theoretically, he was right. Not one in a thousand knew what the row was all about. But there was something powerful back of the mild securities law is to blame for the absence of long term issues.

We believe with the administration which enacted the securities law that it is helpful to real business recovery. If corporate securities can not be sold in the light of facts regarding their value, as required by the law, then it is better that they remain unsold. Unsound stock issues can not speed business recovery.

Municipal issues are another class exempted from the securities law. But defaults continue, because cities are unable to re-finance.

Apparently the capital markets can be revived only through larger government financing of capital expenditures for public works.

While bankers hesitate to extend even short term credits, it is obvious to argue that the mild securities law is to blame for the absence of long term issues.

The chief business need obviously is short term credit. That is not affected by the securities law. Still the bankers refrain from lending, despite the pleas of the White House, the R. F. C. and the NRA. Whether the bankers are justified in this policy or not, the situation has nothing whatever to do with the securities act.

Railroad securities also are exempt from the securities act, and yet new rail issues are not being floated. The railroads are not even taking advantage of the credit facilities for maintenance and equipment available under the NRA.

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Even after Mr. Ford came back without so much as obtaining an audience, we gave Woodrow Wilson a second term, on the ground that since he had kept us out of war up to that time, he could be depended on to do so until it was over.

It is a good thing to look backward now and then just to recall how mistaken we were, if for no other reason. Not the least astounding fact in connection with this season of astounding facts is the obvious inability of our best minds to comprehend the drift of events.

At first they thought the war might last three months. Toward the end they thought it might last ten years.

At one time we were assured that the result would be bad if either side won. Within a year or so, we were told that humanity was headed for destruction if Germany were not defeated.

Mr. Ford's peace party was born of the notion that we could and should remain neutral, that the war meant little to us, and that our real concern was to see peace restored without victory.

His expedition expressed an ideal which we had tried to preserve ever since the storm broke, but which failed to harmonize with the explosive psychology that brought it about.

He made no impression whatever on rioting Europe, but he did show a lot of Americans how far they were from understanding the forces which had started the rioting.

During the first two years of strife, we tried to make ourselves believe that it was a sort of Fourth of July celebration which meant little to this side of the Atlantic, as it was provided interesting headlines and improved markets.

The danger is especially acute in retail codes. Fortunately, the cabinet recovery board, General Johnson, and the consumers' advisory board of NRA see that danger. The consumers' board takes the position that the codes should be held up, pending a very thorough study by government statisticians and economists of the cost-plus and invoice-plus figures presented by private groups, and of the entire price-fixing policy.

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the national government than in most state and city governments.

But they always have existed in greater or less degree, and the legion very profitably could make a determined drive on them.

Such things can be eliminated from public life only if the citizenry is alert, vigilant, and well-informed. The legion could do a great service by seeing to it that the necessary vigilance and knowledge are kept in existence.

## AMERICAN TRAVELERS

AMERICANS don't know how to travel. They travel only to scoff and be scoffed at, in effect said Dr. W. Beran Wolfe, psychiatrist, returning with 489 Americans who rounded a good part of the world in the liner Volendam.

Said Dr. Wolfe: "Almost exclusively each passenger carried into Europe his own home town environment."

The coffee they drank was not like the coffee back home; the Oriental dancers couldn't hold a candle in grace to the troupe at the old Rialto; St. Peter's—"We wouldn't have anything so old fashioned in Jersey City," the natives "wore funny clothes," and that stuff couldn't compare with the booze Joe Smith makes.

They didn't see anything, said Dr. Wolfe. Oh, they saw plenty. Doctor. Wait till they get back home. The old home town will pale and the home towners with them before the tale-telling is over!

## ANOTHER WALL STREET ALIBI

WITH President Roosevelt and the Reconstruction Finance Corporation appealing to the American Bankers' Association for better co-operation in extending private credit for industrial recovery, some bankers seem more intent on destroying the new deal's banking reforms.

Among other things, they have started a drive to modify the new truth-in-security law. Modify in this case means to destroy, because the banking group succeeded in modifying the original bill to the point where the law as passed represented the bare minimum of practicable federal blue sky regulation.

The argument against the securities law parades in the cloth of patriotism. It is said that the law has prevented much-needed financing, retarded the flotation of securities, and thus jeopardized national recovery. That is not true.

The chief business need obviously is short term credit. That is not affected by the securities law. Still the bankers refrain from lending, despite the pleas of the White House, the R. F. C. and the NRA. Whether the bankers are justified in this policy or not, the situation has nothing whatever to do with the securities act.

The argument against the securities law is that it has prevented the flotation of securities from jobs. Much is written on that subject, but one never sees anything about families of three, four or even five with all members working but the mother. Most children who do work and live at home pay board, so why is it any worse for a man and his wife to work than a father and two or three children, who help at home?

No doubt "Fair Play" is a married man whose wife can not get a job and he thinks that no other married woman is entitled to work.

We live on a small farm which is paid for and our income is almost entirely from milk or cream and eggs. We milk five cows and have 100 hens. Several years ago, the income from four cows was about \$10 a week and our eggs kept us in

groceries.

Now, five cows net us \$2 a week and we sell our eggs for less than 1 cent each. Tell me how any farmer who depends upon dairy products for a living, can buy in large quantities?

I am a married woman who works and at the end of the week we do not have any more than most families with only one member working and don't doubt that we spend just as much as any one family can afford.

So why not let the subject rest for a while and find something else to "crab" about?

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