Klan and Anti-Klan in Indiana

Staff Correspondence by DIXON MERRITT

THINGS have been done in Indiana of which any State ought to be ashamed—and of which Indiana is ashamed.

Shame, however, is not absolution. It may not be, in some measure is not, even penitence. But no man should condemn Indiana unheard. Where Indiana is to-day any State in the American Union, but by the mercy of God, might have been. I am not Indiana's spokesman. I have simply sojourned within her borders for a week in an effort to find out whether or not the things said of Indiana are true. I found that some of them—too many of them—undoubtedly are true. Aside from the question of wrong-doing on the part of any or every official in the State, the fact exists that Indiana was for a time in almost complete political servitude to a weak and ignorant and vicious man. The fruits of D. C. Stephenson could not be good fruits—could not have been good fruits even if he had been always well-meaning. He is too weak and too ignorant to do well as a political dictator, which he was.

How this man ever came to dominate the affairs of Indiana to the extent that he did, why Indiana was so susceptible to a disease the germ of which ran equally rampant in other States—these are questions for which I have tried to find answers. What immediately follows is far-fetched, but it is true.

THE blame rests upon the institution of American slavery and upon the imperial policy of Great Britain. If the "poor whites" of the Tennessee uplands, with bitterness in their hearts toward their prosperous neighbors and with half-bred hounds trotting between their wagon wheels, had not gone trekking to the slough-slashed lowlands of southern Indiana; if no Irish immigrant had ever wrapped his love and his hate in his heart and his worldly goods in a pocket-handkerchief and gone to Indiana to dig ditches and level road beds—if those things had not occurred in the generation of our grandfathers, D. C. Stephenson would have passed as a puny incident in ours. But the "poor whites" did trek; Tennessee—and to a lesser extent Kentucky—was sifted and the bran thrown across the Ohio. The Irish peasants did come to form, finally, little islands of Catholic bigotry in a seething sea of fanatical Protestant intolerance. Much later along something similar occurred in the desolation of the dunes at the northern end of the State. Aliens from the Continent—jabbering, garlic-reeking—settled under the smoke clouds of the factories upon the land that the old Hoosiers had cleared and tilled and loved. There came to be, in the end, a quite considerable Catholic population, not concentrated at a few centers, as in most of our States, but scattered in little communities everywhere. None of the three elements mentioned ever was the chief element in the population, but each was sufficient to irritate the others.

Indiana never attained that knack of dwelling together in unity which is declared to be "as the dew of Hermon, and as the dew that descended upon the mountains of Zion." It sipped the wormwood of bitterness always, and quaffed it in great gulps such times as the A. P. A. and similar organizations flourished.

CAME the Ku Klux Klan.

Indianians are, by nature and by habit, joiners. And this movement brought to them an unusual appeal—several appeals, in fact. Its proclaimed principles embodied for many, not merely something good, but all that, from their view-point, was worth while in life. It was Americanism. A Catholic priest, loved in Indianapolis as few men are, said to me: "If they had brought their pledge to me in the early days of the Klan, I declare that I would have signed it. It proclaimed what I have always held as an American citizen." It was not merely American, and appealing to patriotism. It was Protestant, and appealing to sectarian religion. That was less widely proclaimed, but it was probably the more appealing both because it partook of secrecy and mysticism and because it reached something more personal than even patriotism.

When the movement was still young and flushed with fervor, there came—from Texas and elsewhere about the country—D. C. Stephenson as organizer and Dragon, whatever that may mean. He had the organization rights and a share in the fees in a number of States. Some say thirteen. Others say as many as twenty-one. But Indiana became his green pasture.

STEPHENSON was—and is—a man remarkable. His powers of imagination are abnormally developed. He has a positive genius for the dramatic and the spectacular. His egotism was unbounded—and practically is to-day despite a prison life, which ordinarily saps assurance. Men told me that Stephenson told them that he was the reincarnation of Napoleon, born again to complete an interrupted destiny. His education is so meager as hardly to exist. His gratifications in life appear to have been almost wholly carnal, though men tell me that he has at times flashes of spiritual beauty.

The sinews of Stephenson's strength ran back to the bone in southern Indiana. There he gathered his first glory about him, and thence he always called his Tenth Legion, his Old Guard, his Stonewall Brigade, fanatically devoted to his person. He made other devotees by spectacular methods. He had an airplane with three flaming Ks painted on the bottom, and in it he flew about the State. By this time he had become known as "the Old Man," though he was in fact fairly young.

The following story is vouched for by a number of reputable men, some of whom claim to have been present. A great gathering of Klansmen and Klanswomen was held in a central Indiana city. Stephenson, with his airplane, was at a fair grounds hardly twenty miles away. The crowd waited for the supreme event. Emissaries passed about, whispering to chosen persons in the crowd, the whisperings to be by them passed on: "The Old Man will be late to-day. He had to fly to Washington. The President summoned him last night to devise means of repelling a Papal invasion. The Old Man has saved the country. But he will be here. He wants to talk to you."

There was a further wait—long, tense, thrilling, adoring. The three Ks flamed against the sky. A plane circled and settled. The Old Man, in his robes, stepped out. Women fainted. Others fell at his feet and such as were bold enough kissed the hem of his white garment. The membership of the Klan was augmented mightily.

THE political campaign of 1924 was drawing on. Politicians began to realize that this poor, weak, tinsel and gewgaw actor had between three hundred and four hundred thousand voters fanatically devoted to him, ready to go to hell for him. This strength was available to the Republicans. They accepted it.

I tried to find out how complete this alliance was. I am a Democrat, and

therefore subject to suspicion of prejudice. I resolved immediately after I entered the State to accept information only from Republicans. I sought information from no Democrat and received information from no Democrat, except that one clue ran for final confirmation to an official of a professional society who votes the Democratic ticket and that the Catholic priest to whom I have referred may be a Democrat, though he told me of having supported Republicans for United States Senatorships. As to the alliance between the Republicans and the Ku Klux Klan, no Democrat said one word. I saw no other Democrats than the two mentioned.

I asked a prominent Indiana educator, who is also a prominent Indiana Republican politician, "Just how far did the Klan-Republican alliance extend?" He answered, "The Ku Klux Klan organization and the Republican Party organization were then and are now identical." I asked a former paid employee of the Ku Klux Klan, "To what extent was the Republican Party in Indiana committed to the Klan?" He replied, "Just as thoroughly committed to the Klan as it is to the protective tariff." These statements were confirmed by other Republicans, most of them out of office, but some of them in, one of them a State official.

In such circumstances, the November election of 1924 approached.

Stephenson had ceased to be in the good graces of the National Klan organization. Those who are opposed to the Klan say that he had got too much power to please higher officials and was in the way of making himself National head of the Klan. Those who are pro-Klan say that he had shown himself unscrupulous and that the Klan had long wanted to get rid of him.

Both things may be true. In any event, on a certain day, say Friday, Stephenson did a certain thing. On, say, the following Monday Dr. Hiram W. Evans, National head of the Klan, called Stephenson to an Ohio city and demanded his resignation. Stephenson, with only perfunctory remonstrance, wrote it out and laid it on the table. This was told me by a man who says that he was in the room when the incident occurred.

Stephenson returned to Indiana shorn of his official Klan position and, presumably, even of Klan membership. But he returned with his political power hardly, if at all, diminished. The Stephenson slate, almost intact, went through.

It is not to be believed that the majority of men elected to office in Indiana in 1924 had any dealings with Stephenson. His support was thrown into their laps and they did not pitch it out. The case appears, however, to have been different with some men elected to office in that year. It is said that Stephenson exacted signed pledges of some men who were elected to office that their first allegiance was to him and that they would make appointments pleasing to him. Some of these pledges were said to be available in Indianapolis, but they were quoted on the curb at $10,000, and I had neglected to ask for enough expense money to cover any such contingency. However, a Chicago newspaper, in conjunction with an Indianapolis newspaper, did agree to pay such a price for one, but the vender did not deliver it. He told the representatives of the two newspapers that persons interested in having it not published had paid him a higher price. Of course, there may never have been any such document in the first place, but indications are not lacking that certain men did, prior to their election, make certain pledges which they felt bound to redeem. It does not appear, to me at least, that the more prominent ones of them willingly redeemed such pledges. It appears to me that they went just so far as they thought they were forced to go, and that they were immensely relieved when Stephenson's power over them was finally broken.

Early in January, 1925, Edward Jackson was inaugurated as Governor and the Legislature met. There is no end of ugly stories as to what occurred during the campaign, at the time of the inauguration, and while the Legislature was in session. Some of them are too ugly to repeat.

It is said that very many appointments were made at Stephenson's behest. Undoubtedly, some queer-seeming appointments were made. Undoubtedly, some were reluctantly made. Undoubtedly, some were announced and then withdrawn, apparently under pressure.

It is said that the "shake-down" was used extensively in connection with proposed legislation; that bills were introduced with no expectation that they would be passed, but with the expectation that somebody would pay well for having them killed; that other bills were killed or passed according as killing or passing was more profitable. Evil as all this sounds and is, there is nothing in it that has not at one time or another occurred in other States. The unique thing is that persons who were interested in proposed legislation believed that they had to see, not legislators, but D. C. Stephenson.

Stephenson was then living in a sort of palace in classical Irvington, a suburb centering on Butler University. He had many retainers, many guards between the outer door and the inner sanctum. Fourteen police dogs were loose about his grounds. He had a yacht on Lake Michigan to which he retired upon occasion. He had other means of making himself inaccessible. Seeing him was not easy.

A gentleman whose interest at that time was in securing the passage of a bill authorizing the consolidation of a dental college with the University of Indiana told me in some detail how he had to proceed. After talking with several persons supposed to possess certain influence, he was told that it would be necessary for him to see a certain official at the State Capitol. He went to see that official and explained the bill to him. After asking for detailed information on some points, the official called Stephenson's private number on the telephone—a number to which only the elect had access—and said to Stephenson that Dr. So-and-So had a bill which might prove interesting, and would he see the Doctor? He would. The Doctor went to the Stephenson palace and explained the bill. Stephenson thought he might be able to give some help, but was not sure.

A reputed agent of Stephenson, himself a dentist but not in active practice, met a group of dentists interested in the bill and told them that for $10,000 "the Old Man" would put the bill through. There was, of course, no evidence that he was actually sent by Stephenson. The offer was declined. The bill was passed without Stephenson's aid—because, I am told, of a last-minute change of attitude on the part of the Governor. Since the bill was passed without Stephenson's aid, the story is available. If Stephenson aided, under similar circumstances, any bills that were passed, the story is, of course, not available.

Up to that time, however, Stephenson's aid was regarded by many people as necessary to any legislative action.

About that time the "Ripper" Highway Bill came to the fore. It proposed to abolish the independent State Highway Commission and substitute one appointed by the Governor. Governor Jackson favored the bill. D. C. Stephenson favored it. It aroused, however, a storm of protest. And, anyway, the reincarnated Napoleon was at the sunken road of his field of Waterloo.

He was arrested for murder. The story is too gruesome, too brutal, to repeat. A woman, twenty-eight years old or so, died of poisoning at her home in

Indianapolis, after she had been on Stephenson's yacht. Stephenson was said to have drugged her, and thus to have caused her death. When Stephenson was arrested, some of the evidences of his continuing power were about him. Deputy sheriffs of Marion County and State police officers were quartered in his house.

Go back now to the election of 1924. The only man who slipped by Stephenson's guard in that election, so far as I can ascertain, was William H. Remy, who was elected Public Prosecutor for Marion County, the county in which Indianapolis is situated. He was to become Stephenson's Nemesis. He prosecuted him and, despite many obstacles, convicted him of murder.

The case is pending on appeal before the Supreme Court of the State. Among those who detest Stephenson utterly there are not a few who believe that the judgment of the trial court should be set aside and a new trial granted. One of the men who has done most toward bringing the scandal before the public said to me, "The only crime that Stephenson has not committed is the one for which he was convicted." The Catholic priest previously referred to said to me, "Evil as I know Stephenson is, I do not believe that he should have been convicted on that charge." One of the most prominent men in the social, intellectual, and political life of Indianapolis said to me, "I would not have voted to convict on the evidence they had, and I doubt if the Supreme Court will sustain the conviction." Yet such is the odium of the Stephenson name in Indiana today that any one of these men would be in some measure ostracized if he were quoted by name.

When the political campaign of 1926 came on, Stephenson was in the penitentiary. He smuggled out a letter breathing threatening and slaughter against public officials in the State of Indiana. He asserted that he had documentary evidence which would convict many of them of wholesale corruption, and that he was ready to reveal it.

Thomas Adams, editor of a Republican paper at Vincennes, entered the arena with tremendous vigor. His announced purpose was mainly to bring about a house-cleaning in the Republican Party. Several other newspapers joined him. Public clamor was aroused. Excitement prevailed. Endless columns of newspaper print were devoted to revelation of stories of corruption.

But with it all there was little, if any, substantial evidence. Anything that Stephenson may have known he, and he

alone, still knows. It became apparent long since that he has no disposition freely to reveal it. His mysterious strong boxes, reputed full of incriminating evidence, are still mysterious if not legendary, despite the trailing to the ends of the earth, almost, of at least three witnesses who knew of their existence and were supposed to know where they might be found.

The Adams crusade hindered, rather than helped, toward an orderly and legal diving into whatever lies beneath the surface of the troubled waters of Indiana politics and public affairs. So did the Walb crusade. Clyde Walb is Chairman of the Indiana Republican State Committee. He raised the cry that some peace society had sent money into the State for political purposes. He induced the Senate Special Committee to investigate this charge. The barbed probe of Senator Reed was soon diverted from the little to the larger scandal.

Prior to the beginning of either the Adams crusade or the Walb crusade the Prosecutor of Marion County—the same William Remy who was elected without being on the Stephenson slate in 1924—had begun an investigation of alleged corruption and had made considerable progress. That progress was slowed down by the activities of Adams and Walb. Evidence that might have been secured became unobtainable, and evidence that has been obtained was got at with extreme difficulty. The Remy investigation, with the aid of a grand jury, still goes forward, and when I left Indiana was nowhere near its end. It might have ended before now but for the hindrances that have been put in its way by undue publicity. Still, I am not prepared to say that crusaders such as Mr. Adams is should never set out for the Holy Land of political purity. The investigation in Indiana would have been more effective without this particular crusade, but there may have been no means of knowing that fact in advance.

I could do somewhat more than to make a guess as to what the Marion County grand jury will do, but, even if it were safe, why should an outsider contribute to the further confusion of an inquisitorial body that is doing its best?

IF there is a way out for Indiana, it lies along the line of sane and sober investigation by legal methods. There is no considerable number of voters in the State who have ever thought that the way out lies through political action. That fact is attested by the results of the recent election, confused as it was by the two crusades. One hundred and seventy-three thousand voters were reg-

istered—not, by any means, a full registration. Only 92,000 votes were cast. Republican majorities were small. That of Senator Watson, in whose campaign National interest chiefly centered, was about 12,000. If the stay-at-home voters, even the Democrats among them, had believed that the State could be purified by a change in party and personnel in office, the result would have been different. Indiana despairs of relief by politics.

And yet in Indiana politics is never adjourned. There is an election of some kind every year. Political strife never has time to cool. And there, perhaps, is one of the chief reasons why Indiana was more susceptible than some other States to a disease the germ of which was everywhere. The result of that and other things has been mediocrity in office in recent years. In very large measure, education has become a bar to political preferment. I think that another potent cause is that, because of a somewhat peculiar fee system, certain Indiana officials, mainly in counties and municipalities, are too highly paid. One man who was an official of Marion County and is now an official of the city of Indianapolis is known to have made $67,000 in a single year, exclusive of his perquisites under the Barrett Law, a law under which certain officials quite legally put into their own pockets the interest on certain public funds. It is but natural that some men should go further to obtain such an office than they would go if the remuneration were reasonable.

It is not too much to expect that Indiana will amend some of its laws. It is too much to expect that Indianians can at once divest themselves of their prejudices and their passions. A quarter of a century will hardly suffice to heal the wounds that have come of the recent bitterness. But the worst of Klan and anti-Klan, perhaps, is past. Those to whom I talked, Klansmen as well as anti-Klansmen, agreed that the physical body of the Klan in Indiana is dead, and yet the fact remains that the Klan slate in the recent election, a printed copy of which is before me, went through almost intact so far as the State and Congressional tickets were concerned. It went through, however, with no more than normal Republican majorities.

They say that the soul of the Klan still lives. Reorganization and a strong offensive are planned for next year.

The Klan may "come back" in Indiana. But it is not within the range of the probable, no matter how much bitterness it may keep alive, that it can ever again be dominated by a figure so sinister as D. C. Stephenson was.

Financial Department

Conducted by WILLIAM LEAVITT STODDARD

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"To Examine and Discover"

IT is a genuine pleasure to be able to report very real and substantial progress in the warfare against bucket-shops and dealers in fake securities. That there is a need for such a campaign The Outlook has tried to make clear in the past from time to time in special articles as well as through its Financial Department. The number of fraudulent schemes is legion; the ingenuity of their promoters is usually great; the defense against them has, till recently, been the unwarned common sense and knowledge of the proposed victim.

Let it not be supposed that sellers of fake investments have been thoroughly routed. Not so. They will continue to fool and rob us probably till the end of time or until the minute