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TWO COMPETING TAXING SYSTEMS

THE Charlotte Merchants Association deserves to be heard in its petition for State tax relief. What the association has asked, specifically, is that the State allow as a deduction from income the very considerable taxes imposed by the Federal Government *on that same income.*

On the face of it, elementary fairness requires that the State not profess to be ignorant of or indifferent to the ravages of the Federal income tax. The State's counter argument — that its rates will have to be increased if this considerable deduction be allowed—is a valid argument, but it begs the question of what is a fair and equitable system of State taxation. And North Carolina's income tax rate on both corporations and individuals is out of line with neighboring states, though there are offsetting factors of property and other taxes.

Former Governor Cameron Morrison said in a speech recently that the State should reduce all its tax rates by roughly half, and count on the reduction to attract enough new wealth to make up the loss in revenue. We do not believe that this prescription should be taken any more literally than Mr. Morrison meant it to be taken, but undoubtedly he did mean that the time had come to examine the case for tax relief in North Carolina's own interests, if that was possible without the curtailment of essential services.

It is only through tax-reduction, not tax-revision, that the Merchants Association may expect relief from what it calls the "double taxation" of North Carolina incomes. These business men are wise enough in the ways of taxation to know that it matters most how much the tax is, not what it is, and likewise that State income taxes, however onerous, remain a deduction from Federal income taxes, hence in the case of corporations are worth 38 per cent of their cost as a deduction on Federal returns. But that is small comfort.

LOAD IS TOO MUCH FOR U. N.

WELL, we're right back where we were last week. The Russians are still blockading Berlin, and the U. S. and Britain are still flying food and supplies into the city by air. The Security Council still has the Berlin problem, officially a "threat to the peace", on its agenda and doesn't know what to do with it.

There have been a good many moves in the past few days, but no change in the basic situation. U. N. Assembly President H. V. Evatt and Secretary-General Trygve Lie started it when they urged the four big powers to try once again to settle the Berlin problem in direct negotiations. Unique thing about this proposal was that Evatt and Lie urged virtually the same sort of approach that President Truman had in mind when he contemplated sending Chief Justice Vinson to Moscow. Mr. Truman was roundly criticized for trying to circumvent the U. U., and was talked out of the Vinson mission by Secretary Marshall.

Marshall must have been convincing, for the President gave an abrupt "No" to the Evatt-Lie proposal this week. He said he had no plans for meeting Premier Stalin anywhere, unless the Soviet leader should wish to come to Washington, and added that the United States would not negotiate the Berlin question until the blockade was lifted. His views were expressed in more diplomatic language a few hours later by Secretary Marshall, who said the U. S. had discussed Berlin directly with Russia until it became apparent the blockade was established to gain political objectives to which Russia was not entitled. The question will remain with the Security Council, he said.

The Evatt-Lie appeal was rejected by Great Britain and France on the same grounds, while Russia turned it down because that nation insists that the Berlin question is part of the over-all German question and must be discussed by the Council of Foreign Ministers.

Certainly, from the standpoint of the Western powers, an agreement to take up the Berlin issue with Russia once again while the blockade is in effect would, in effect, recognize the blockade. Having once taken a firm stand, the Western powers cannot afford to back down. But Russia has been equally firm in its insistence that the Berlin impasse cannot be settled outside the whole German question, and that nation will not be able to retire gracefully from such a stand.

Meanwhile, the United Nations struggles under a terrific load which it is not yet able to bear. The organization simply is helpless as long as the two biggest powers are adamant. It can censure one side or the other, of course, but other than setting the moral record straight and forming world opinion against the offending party, its efforts will be useless.

The clock ticks on, and time is running out. While statesmen argue, military men plan for war. And little people everywhere hope that somehow the peace can be preserved.

WHAT TO DO ABOUT CHINA?

FROM Shanghai and Nanking this week moved trainloads of Chinese city-folk; they covered the long trains like bees about a hive, legs and arms projecting through windows, car roofs layered with people. They were moving into the country where food could be found, where they could escape the expected Communist onslaught upon these two cities.

In the United States the Chinese struggle seemed, to many, a toy war, another chapter in the eternal battle that has been China for so many years. But these Chinese—whole families of them—fleeing from Nanking and Shanghai knew this was no game; they knew that this was the hottest of the many world fronts where Communism and capitalism were doing battle this week.

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REPORTS from Key West that President Truman plans an early policy statement on the part of the United States in this war are being received with interest. Mr. Truman will meet with Secretary of State Marshall on Monday to review "the entire international situation" — a task which we do not envy these two American leaders.

What can one say to Chinese Nationalist soldiers who are, somewhat reluctantly we have been led to believe, shooting down their brothers in this greatest of civil wars? Can one say: "Here is another round of ammunition; keep shooting to defeat Communism and preserve the Nationalist system in your country"—can one say that to Chinese who, under Chiang Kai-Shek's own brand of nationalism, have come near to starvation, have worn the same scraps of cloth Winter and Summer for years, whose savings of decades are wiped out by an overwhelming inflation which Chiang's government can't control?

No, we do not envy President Truman and Secretary Marshall who must decide on Monday what we should do about China—or, more correctly, whether anything can be done about China. The Nationalist troops of Chiang are outnumbered and are being outfought, they are deserting wholesale, according to AP reports, from the mercenary ranks to the "People's Liberation Army". Arms from America are being turned over to the Communists by Nationalist soldiers, enough arms, it is reported, to equip 39 divisions. What purpose will be served by pouring more arms into China? Who will use them?

The Chiang Government is broken. His ministers either are fleeing or preparing to break bread with Communist conquerors. Chiang the Strong Man is through — he has lifted too many weights, he has become musclebound. President Truman is in communication with Chiang; the President must know by now that support of Chiang will not turn back the Communist tide in China.

It is possible that an American Expeditionary Force to China could do the job. It would not surprise us greatly if, upon his return, Bill Bullitt, ex-Ambassador and now Republican emissary to China, would recommend just such an expeditionary force. It is possible that Bullitt will make this recommendation, but it is improbable that the American people will accept it; it is highly unlikely that President Truman will even consider it. Stalin only knows how the Russians would take to such an idea.

The truth is obvious: Chinese Communists have, for all practical purposes, conquered China. The Nationalist Government may flee to Canton and put up token resistance, but the majority of China will be in Communist hands, following the Moscow line. Russia will have won Asia while we haggled over Berlin.

No, we don't envy Mr. Truman and General Marshall. It is a time for decision—but what decision?

We are unable to corroborate a printed statement that the number of thousand dollar bills in circulation has increased.—*Little Rock Arkansas Gazette.*

A statistician given to the morbid reveals that the American family pays out an average of $200 a year for crime. If he means millinery it would be braver to say so. — *Washington (D. C.) Evening Star.*

Somebody is always criticizing the Southern people for using the phrase, "you all". The critics forget that the immortal orator, Cicero, began many of his orations with the phrase, "tuas omnia"-you-all. — *Grenada County (Miss.) Weekly.*

B. L. Hale, principal of R. H. S., announced Tuesday that all students had received grade cards for the first six weeks of school. He requests all parents of high school students to please look carefully over the cards, sign and return immediately. — *Rogersville (Tenn.) Review.*

The election determined whether the American people want to vote on these matters or leave everything to Dr. Gallup. —*Lexington (Ky.) Herald.*

'For Congress There Must Be Some Better System'

Good Will Between The Races

Fact, Not Fiction About The South

CHARLOTTE

Editors, THE NEWS:

I ENCLOSE copy of a letter in which your readers may be interested.

—F. C. ABBOTT.

(Enclosure)

CHARLOTTE

Editors The American,
Waterbury, Conn.

So many misleading statements have been made about the South, and especially regarding the race relationship down here, that I am constrained to give some real facts in the case.

Thirty years of life in my native city in New England, followed now by more than 50 years in the South, have given me a fair knowledge of both sections of the country.

To you friends back North whose ideas of the South are derived from some brief visit to the South, or from some of the sensational stories of staff writers sent down here and who seem to delight in picking out our darkest spots and writing them up as typical of life in the South, let me say to you that your knowledge of the South and of conditions down here is very limited.

For your information let me give you a few real facts regarding race relationship in the South.

Charlotte, my home for 50 years, is a typical city of the rapidly developing Piedmont section of the South. It has grown in population during my life here from a small city of 17,000 to its present population of 140,000 or more since the extension of our old city limits recently ordered.

About 30 per cent of our people are members of the colored race, and here is the situation in our city.

The colored people have well-built colored schools, built and supported very largely by money of white taxpayers, and staffed by trained colored teachers, on the same salary schedule of white teachers and under the supervision of our city superintendent of schools. The colored people have a number of churches under control of their own church boards and with preachers of their own race, and I doubt if a church for colored people was ever built in the South without an appeal to white friends for assistance and always with a ready response.

The colored people have had here for over years a university, originally sponsored in its early history by the Northern Presbyterian Church, and for a time under white supervision and with white teachers, but now in recent years the president and his entire faculty are intelligent and trained members of the colored race, and they are doing a fine work and with cordial goodwill and friendliness of the white people of Charlotte.

The colored people have a hospital, sponsored and built many years ago by the influence of a prominent white lady, wife of a leading manufacturer, and largely supported for years by our largest Episcopal Church.

A fund of $200,000 is now being raised for the building of a modern nurses' home for this hospital, and the money will come largely from white friends of the institution.

The colored people have now in one of the most crowded wards of the city colored branches of the YMCA and YWCA, staffed by colored workers and with the close co-operation of the central white Associations.

A fund of $250,000 is now being raised for the construction of large and adequate buildings and equipment for this work—$200,000 of this fund to come from white friends and $50,000 to be raised by the colored people themselves.

Colored people who have been industrious and thrifty have, through our several building and loan associations during the past years, bought and paid for several thousand homes of their own, and I am informed by the head of one of these associations that right now more than three hundred colored people are paying regularly monthly payments to this association for the purpose of further home building.

The colored youth of Charlotte have a Boy Scout organization with 26 troops and over 600 Scouts under leaders of their own race. A tract of 75 acres was recently purchased for a camp and lake, and other facilities will be developed, and their organization is in close touch with the Scout leaders of the white boys.

The Park & Playground Commission of the city is now planning a wide expansion of their program and this will include several additional playgrounds and swimming pools for the colored race.

It is true that when traveling by rail, the colored people have special cars assigned to them; and on our city busses, under the rules of the company, the colored people fill up the seats at the back of the car and the white people at the front as a matter of course and without the slightest friction and entire goodwill.

And let me tell you people back home in the North, who are so troubled about segregation and demanding that it be abolished in the South, that the colored people here would oppose the merger of their churches, schools and other organizations and their social affairs just as strongly as the white people. They enjoy the control and management of their own institutions and affairs and are happy in their own life and enjoy the goodwill and friendliness of the white people.

We do have some dark spots in the South, and so have you in every city in the North. We do have some criminals among the Negroes, and brutal crimes have been committed against white girls and women which would stir the wrath of any man, but these crimes are now handled promptly and efficiently by the officers of the law, and there has been but one lynching recorded in the entire South for more than a year. You in New York, Chicago and other Northern cities have your gangster murders and mob violence and bloodshed during your strike troubles, and it is up to you to clean house in your own cities and leave the South to do the same in its own field and which we are entirely capable of doing.

And to New York people, especially those who are so anxious about the "advancement of the colored people of the South", let me suggest that you read the story in the August number of the Readers Digest entitled "The Boy Gangs of Mousetown", a most vital story of life in the Harlem district of your own city, where more than 300,000 Negroes are crowded in a few city blocks, and if you don't find there all the opportunity for uplift and reform to keep you busy for years to come, then go over into the white tenement districts of your East Side and you will find further fields for your best efforts.

The colored people know that their real friends are right here in the South.

And so again, my advice to you friends back North is to study the needs and reform your own dark places and leave the South to handle its own affairs of which they are far better informed, in which they are much more interested, and, therefore, are more capable of handling than you can ever be from your distance and limited knowledge of the South.

There is a very old saying that "Charity begins at home", and with all due courtesy and kindly feeling toward friends back North, I would suggest that you adopt this principle and we will also apply it down here.

—FREDERICK C. ABBOTT,
A native and for 38 years in Connecticut.
Now for over 50 years a citizen of Charlotte, N. C.

Drew Pearson's Merry-Go-Round

The Vacation Wasn't Enjoyed, After All

WASHINGTON

ONLY one group of people since Nov. 2 have redder faces than the pollsters—the big business men who had feathered their nests with Dewey's friends.

Take, for instance, the sad case of delightful Lewis Rosenstiel, president of Schenley's giant distilling company. As one of the leading whisky and wine producers in the USA, Mr. Rosenstiel was interested in having an "in" with the new Administration. It was not unnatural therefore that he should busy himself before election in wining and dining various prospective members of the Dewey Cabinet.

Mr. Rosenstiel's motto is to leave no stone unturned. He is a meticulous businessman and he did not become one by accident. He believes in looking ahead. Therefore, not long before election, he looked ahead and retained Herbert Brownell, campaign manager for Mr. Dewey, as his attorney.

Looking still further ahead, he also retained as his public relations counsellor Carl Byoir, a pro-Republican gentleman with pipelines into the Deweyites.

To make sure of his position with the new Administration was secure he invited Dewey to go yachting with him right after the election to get a little post-election rest. Dewey was dated up for a vacation with Roger Straus of American Smelting & Refining, so Rosenstiel took the next best. He invited Dewey's right-hand man, Paul Lockwood, to go yachting.

Paul accepted. Both Rosenstiel and Lockwood are entertaining gentlemen, but neither felt much like entertaining the other on that post-election trip.

Inside The Cabinet

VARIOUS Cabinet members, all set to resign, are now angling to remain. One is Secretary of Commerce Sawyer, who gave only $1,000 to the Truman campaign—though one of the wealthiest men in Ohio. . . Averell Harriman, last small Plan ambassador in Europe, has sent an urgent cable to President Truman asking permission to come home to discuss a wide range of subjects. (Friends say he wants to be Secretary of State. . . Attorney General Tom Clark is elevated to the Supreme Court, the next Attorney General will be either Clark Clifford or Alex Campbell, hard-hitting head of the Criminal Division. . . Here's one Cabinet revision being discussed by the dopesters: Chief Justice Fred Vinson to be Secretary of State; Attorney General Tom Clark to the Supreme Court as Associate Justice; William O. Douglas to succeed Vinson as Chief Justice. (Wouldn't that Frankfurter up?) . . . Albert Greenfield, the big Philadelphia real estate man, is in line for either the Truman Cabinet of an embassy.

Another Dolly Gann Row?

CAPITAL hostesses, who haven't enjoyed a good social row since the days of Dolly Gann and Alice Longworth's spat over who should sit where at dinner, have been glowing with anticipation over the problem of who will be Vice-President Barkley's official hostess, and where she will rank at official dinners.

Vice-President Barkley, like Vice-President Charles Curtis, is a widower. That was why Curtis's half-sister, Mrs. Edward Everett Gann, was made his official hostess. And it was the question of whether the Vice-President's sister or the wife of Speaker Longworth preceded the other at official dinner which threw social Washington into such a hubbub during the Hoover Administration.

However, it looks as if Alben Barkley would disappoint the ladies. Alben is not averse to going out to dinner. In fact, he is in great demand. But he doesn't relish social rows.

Furthermore, his counterpart is also single—Speaker-to-be Sam Rayburn. Close friends, Sam and Alben have been going out together as widowers for so long that the idea of their rowing over protocol brings smiles to those who know them.

Sam was married once, so long ago that most people think he was always a bachelor. He has no official hostess and doesn't intend to have one.

Barkley, whose wife was an invalid for many years before she died, also proposes to be a bachelor. Barkley, if he's had a "number of applicants" for the job, but if he needs an official hostess, he will draft his daughter, gracious Mrs. Max Truitt.

Merry-Go-Round

ALL American ambassadors have received cables from the State Dept. reminding them that it's customary to submit their resignations. Truman wants a free hand to select new diplomats. . . U. S. Ambassador to Moscow Bedell Smith has been pulling wire to get General Clay's job as commander in Berlin. He's not likely to succeed. . . . Not all of President Truman's callers get into the newspapers. One significant secret caller was Chicago's Democratic Boss, Jacob Arvey, the man who helped Truman carry the surprise state—Illinois. . . . John Maragon, President Truman's old bookbinder friend from the Kansas City Union Station, feels that the election guarantees his future. Maragon is trying to hire one of the fanciest office suites in Washington for William Helis, the New Orleans oil man. (Maragon is supposed to run the Helis office in Washington.)

Joseph & Stewart Alsop

Taft's Sun Setting

WASHINGTON

SENATOR Robert A. Taft is one of those exceptional politicians who are also symbols. He stands for old-school Republicanism as George W. Norris stood for the old Taft school of American progressivism, and Henry Wallace now stands for the moonstruck Left. It is more than ordinarily significant, therefore, that a good many of his colleagues think Taft may abandon the Senate Republican leadership in the next session, and perhaps even retire from the Senate when he comes up for reelection in 1950.

Taft did most of the thinking and most of the homework for the Republican Senatorial Rank and file of the 80th Congress. Thus the end of his leadership would be a major event in any case. If he is really considering a progressive withdrawal from active politics, his decision may be taken as marking the end of an era of American life.

It must be added at once that Taft left this country for his European trip without disclosing his plans. No one here knows for certain what he proposes to do in the peculiar new circumstances created by President Truman's victory, for which Taft was even less prepared than most. Nonetheless, there are several different reasons why this remarkable man, one of the strongest personalities in American public life, might now choose to leave the political stage in which he has long played such a conspicuous part.

In the first place Taft's term of service as chairman of the Senate Republican Policy Committee is drawing to a close. He cannot continue even as a member of the policy committee without a change in the Republican conference rules. And if he seeks the formal title of Minority Leader, in succession to Wallace H. White of Maine, he will be strongly challenged by a considerable group of younger Republican Senators.

PARTY REBELLION

The first war whoops of rebellion against Taft have already come from Senator George Aiken of Vermont and others of his group. But in addition to these men who have always fought him, Taft will now be opposed by a much larger group of Senators like Knowland of California and Lodge of Massachusetts, who have perhaps reluctantly consented to his leadership in the past. Their thesis is that the election was a popular disavowal of the Taft policies. They have candidates for the leadership who would enjoy strong support — Lodge and Knowland are themselves the most obvious possibilities. And their moderate progressive Republicanism is now seen to be the dominant school of thought in the Senate.

This is of course crucial. By the defeat of such Senators as Brooks of Illinois and Revercomb of West Virginia, the whole color of Senate Republicanism has been radically altered. The men of the Taft school were in the drivers' seats before. Now the Republicans are divided almost exactly evenly between the two groups, and the men of the older tradition have lost their self-confidence.

If Taft decides to make the fight to hold his place, he is quite likely to be beaten. It is conceivable that he accept the position of one Senator among many, the irrepressible Kenneth Wherry will undoubtedly bid for the leader's post. But Wherry's defeat seems virtually assured. On the whole, it seems likely that the more moderate Republicanism will crystallize around Senator Arthur H. Vandenberg, succeeding Taft as chairman of the policy committee, and either Lodge or Knowland, taking White's vacant place as Minority Leader.

PLENTY OF TIME

As to whether Taft will seek reelection to the Senate in 1950, the Senator has plenty of time to make up his mind. Yet he is fairly likely to be opposed by Ohio's new Governor, Frank Lausche, an exceedingly strong Democratic candidate against whom he would have a hard battle. And while one of Taft's faults as a politician is his habit of going out of his way to seek a fight, the defeat would have made him wonder whether the game is worth the candle after all.

This, for Taft, must be the central problem. He ran in 1938, to rebuild the Republican party as it used to be. No one has worked harder, or has shown more character and integrity. Yet his whole effort has ended in flat failure all the same. If the election means anything, it means that the electorate will never again support the kind of Republican party that ruled this country from the death of Abraham Lincoln until the election of Franklin Delano Roosevelt. Taft has little patience with the new-fanged Republicanism of Vandenberg, Lodge and Knowland. It would be logical for him to consider bowing out. And if he does so, the party Republican will lose its last articulate, respectable and intellectually powerful advocate.

Meanwhile, whatever Taft's choice may be, the mere fact that he has a choice to make speaks volumes about the probable character of the 81st Congress. The new Congress may contain many survivors from the old, but as the move for a new Republican leader clearly suggests, they are going to behave rather differently this time.

Marquis Childs

The War Continues

WASHINGTON

LIKE the flow of lava from a bottomless volcano, the flood of personal reminiscences about the war continues. Far from abating, it promises to grow in volume.

The personal story of Marine Corps Lt. Gen. Holland M. Smith now appearing serially has stirred a hornet's nest of controversy. Smith revives the dispute over the conduct of the battle for Tarawa when he removed the Army commander.

To answer the Marine Corps version of the battle, Secretary of Army Kenneth Royall opened secret files. The Army defends its commander at Tarawa, Maj. Gen. Ralph Smith, pointing to two official judgments upholding the Army Smith over the Marine Corps Smith.

Plainly here is another place where unification has worked not at all. The battle of the memoirs has in fact caused Secretary of Defense James Forrestal a lot of worry.

For weeks prior to publication, the Holland Smith story stirred a mimic warfare in the Pentagon. Aware of the storm it would stir, Forrestal seriously considered ways and means of censoring the memoir. Smith is on the retired list.

What he came up against, however, is a major discrepancy between the services in this matter. A long standing Army regulation provides that anything written by an officer, whether retired or not, must be submitted for approval.

This Gen. Dwight D. Eisenhower, whose story of the Allied Command in the battle for Europe is also appearing serially, submitted his manuscript to the department for clearance. So have all other Army officers writing for publication.

But Navy and Air Force have no such regulation covering retired officers. So there was nothing Forrestal could do about the Holland (nickname: Howling Mad) Smith story.

Discussing the implications of censorship both with officers and with civilians, Forrestal has contemplated an over-all rule applying to the three services. To restrict one and not the others is clearly unfair.

Whether the kind of censorship aimed at eliminating frictions between services and between allies is permissible in peace time is the question troubling the Secretary of Defense. The reading public does not distinguish between retired officers and those on active duty. Sensational articles by retired Air officers are mistaken for official policy.

It is a troublesome business and bound to cause unhappiness until it is resolved at the top. So long as the market remains good for this kind of personal narrative, so long will the principals be eager to tell all or nearly all.

YET TO COME

Several principals are still to be heard from. Gen. Omar N. Bradley has tentatively begun his story of the European war, but he will be unable to publish until his four year tour of duty as Chief of Staff is ended. Admiral Ernest King, Chief of Naval Operations throughout the global conflict, has not yet given us his version nor has Admiral William D. Leahy, Chief of Staff to Roosevelt and Truman and a participant in every high-level conference.

Charlie Bohlen, counsellor of the State Dept., is the only living American who knows exactly what Roosevelt and Stalin said to each other at Teheran and Yalta since he was interpreter for the President. Some time ago a magazine offered him a large sum for his story, but fortunately Bohlen, just about the ablest career officer in the department, said no.

Of the most fascinating narratives to appear thus far is Robert Sherwood's book about Harry L. Hopkins, based on the Hopkins papers. It contains more hitherto secret documents than anything yet published. While he frankly adores Hopkins, Sherwood is, nevertheless, remarkably fair in his judgments, unlike the haters and villifiers who seem determined to prove that every American involved in the conduct of the war was wicked and traitorous.