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FOR THE COUNCIL, A RED FLAG

APPARENTLY the department heads of the city government took City Manager Henry Yancey seriously when he told them to cut their budget requests to the bone. In contrast to past years, when requests soared to stratospheric heights, this year's total is less than $300,000 above the current year's budget. By the time Mr. Yancey, City Accountant Livingston and the members of the City Council get through with it, the budget should be still smaller, making possible a reduction in the tax rate.

There is still the danger, however, that the calculations may be thrown askew by salary increases all down the line. Since the war, the Council has been generous with municipal employes. In the fiscal year of 1946-47, the municipal payroll totaled $1,830,944.22. By 1950-51, the payroll had grown to $3,089,872.09. The next year the total soared to $3,929,765.53, partly due to new personnel added after the extension of the city limits. At the present rate, the current fiscal year's payroll will reach $3,909,618.50 by June 30.

The budget requests prepared for the City Manager and the Council do not include any general salary increases, but only a few selective readjustments. But that is no guarantee that the Council, in a burst of generosity, will be so conservative. Two years ago, just after another municipal election, the Council was overly lavish with the tax dollars and handed out a whopping half million dollars in pay boosts.

Hence, thinking of the taxpayer, we're running up the red flag on a major salary increase at this time. City salaries compare favorably with earnings of other public servants in cities near Charlotte's population, and with compensation paid by private enterprise in this community.

With no major reduction in Federal taxes in prospect, local taxpayers ought to get first consideration as the Councilmen gather around to whack out a new budget.

REVERSING THE RULES OF ARITHMETIC

UNTIL Secretary of Defense Wilson takes the stand this week to explain just how he can get more air power from smaller appropriations, the nation can only puzzle over his strange arithmetic.

The *Washington Post* comments rather dryly that the Secretary is attempting to prove "that two minus one equals three," and finds it difficult to reconcile his statement that Air Force numerical strength will be increased 30 per cent despite a reduction of $5.1 billion in new air appropriations and $2.4 billion in cash expenditures in the 1954 fiscal year.

Similar questions have been raised in the Congress, and not all of them have come from Democrats who, as the opposition party, may be expected to seize upon anything that smacks of a political issue for the Congressional elections next year.

On the contrary, the person who is needling Secretary Wilson more irritatingly than any other is the calm, level-headed Republican Senator from Maine, Mrs. Margaret Chase Smith. Last week she sent to the Defense Department a list of 66 questions in 32 categories about the cuts in President Eisenhower's defense budget. The questions went straight to the heart of the defense problem, and so far they have not been answered.

It is difficult for anyone who does not have access to the military secrets of the Pentagon to form a valid opinion about the reduction in air strength. Yet it is clear that barring extravagant waste, the cut in appropriations cannot but produce a curtailment of air strength. The Truman program was aimed at 133 air wings by the end of 1953; the Wilson schedule will provide between 110 and 114 air wings by the same period.

Furthermore, the American people have been highly confused by the continuing debate between exponents of all-out air power and those who contend that a balanced defense-offense force is still the best guarantee of security, in spite of the spectacular developments in the air.

Finally, it has been reported from Washington that the new Eisenhower defense budget, including the cuts in Air Force spending, was shown to the Joint Chiefs of Staff just 36 hours before the President took to the air to announce them publicly. Apparently the defense program has been made to the nation's economy rather than to the potential danger from Russian attack.

While we have no respect for the "target date" basis for defense planning under the Truman Administration, common sense dictates a security plan that is based firmly on the enemy's attack potential. To do less would be suicidal. And if the Alsop Brothers are correct, there has been a sharp change in White House policies between last Feb. 19, when the "grim" session on the state of our defenses was held, and the present.

When Secretary Wilson appears before the Senate Armed Forces Committee this week, some of the answers to the many puzzling questions may come clear. There is a disposition among the American people to trust President Eisenhower's judgment on air power, because of his vast military experience. But if the Administration's case is to stand the test of public opinion, Secretary Wilson must answer more forthrightly and more convincingly than he did in his last appearance before a Congressional committee.

ENGELHARDT SURVEY POINTS THE WAY

IN URGING the County School Board some months ago to retain the Engelhardt consulting firm, THE NEWS was confident that the move would produce valuable dividends. Last week, the board—and the taxpayers—got the first dividend in a thorough and penetrating study of the County's long-range school needs.

The school board is to meet tonight to launch the new phases of its continuing building program. It will have before it a first priority list covering fourteen projects, and a second list in the event additional money is available from State aid or from savings in the first projects. The board's task, made easier by virtue of the careful survey of population trends, will be to pick from the Engelhardt report the projects it deems most essential, and get started on them.

Beyond fixing priorities for the immediate construction program, the board has been handed another sense-making recommendation by Dr. Engelhardt. Because of the small number of students, he said, it is not feasible to support a system of high schools for Negroes in the county. And he suggested that city and county officials get together on some plan to make the county's Negro students of high school age attend city schools.

Enrollment figures support this recommendation. In 1942-43, there were 205 Negro high school students in the 10th, 11th and 12th grades of the county system. By 1948-49, the number had grown to 302. This year, the total stands at 461—not because of any population increase but because of the superior holding power of the schools. This number is far too small to support a system of Negro high schools.

The Engelhardt plan also envisions the eventual abandonment of Negro elementary schools at Matthews, Rockwell, Paw Creek-Hoskins, and Woodland. His long-range plan calls for six school centers for Negroes, providing both elementary and high school instruction. If the Negro high school students are transferred to the city system, junior high school groups would be set up.

Dr. Engelhardt's plan for the Negro schools should receive the most sympathetic consideration by the County School Board. It offers the best way to provide equal facilities at a reasonable investment of public funds, satisfying both the requirements of Federal courts and the county's obligations to its Negro citizens.

From The Wall Street Journal

THE STOCKHOLDER'S VOICE

ANY READER of this newspaper must again and again have been struck by the veritable revolution in corporation stockholders' meetings that has been carried out within a few past years. Memory does not have to go back very far to recall a time when the typical annual meeting was little better than a farce. Company managements had ready means of suppressing their stockholder critics and seldom hesitated to use them.

For glaring contrast, see the accounts of two meetings in yesterday's issue of this newspaper. That of the American Air Lines was held in a hanger at LaGuardia Field and attended by an estimated 1,800 persons. For several hours the company's top executives discussed its affairs and the plans of its management. An elaborate exhibition of types of the company's planes was explained to groups of stockholders by experts.

In the ballroom of a New York hotel 400 stockholders of the Sinclair Oil Co. heard President Spencer describe the company's current business and its prospects. Then for an hour or more the management listened to outspoken critics of certain of its policies, though in the end the vote by share holdings emphatically supported the management.

All this is not to say that the relation of the stockholder to the enterprise in which he has invested some or all of his savings is yet quite ideal. The fact remains that many of them cannot attend an annual meeting in person; often a large majority can express their opinions on management only through their response to the company's proxy solicitation. But the legal requirements that now govern proxies and their use have done much to render the distant stockholder articulate.

This revolution in company-stockholder relations, of course, is not solely the result of a change in management attitude. But it must be recognized that as a rule company managers have loyally responded to the new order initiated by legislation. A great many of them have gone much further than the law requires in encouraging and facilitating stockholder participation in the direction of company affairs.

Long live this revolution!

Taking Over The Old Homestead

Joseph & Stewart Alsop

Meet America's Larynx

THE MAN IN charge of the post-McCarthy voice of America is Dr. Robert L. Johnson, an advertising-man-turned-educator who says he "makes kind of a hobby" of the public service. As the producer of America's voice, he is, in effect, America's Larynx.

America's Larynx is pretty inflamed at the moment. The President's Commission on Psychological Warfare has shown an ugly tendency to lop several provinces off the Johnson Empire, which includes all the government's overseas information activities. In order to hear about this threatened "fragmentation" (as the doctor indignantly describes it) one of these reporters recently called at the doctor's new office in one of the dingier State Department annexes.

The call was a failure in a sense. The big fragmentation problem was all but forgotten. America's Larynx turned out to be far too interesting a phenomenon in his own right.

JOHNSON THE MAN

The doctor is a dapper, small-ish man. His speech is a strong, rich flow, studded with reminiscences of the thousand pep talks of his advertising years. He receives visitors with the assistance of two lieutenants, who play much the same roles in the conversation as the first and second phonographs in Jean Cocteau's Dada drama, "The Marriage Party on the Eiffel Tower." The public service note is struck at once, or at least it was in this case.

"I've always been interested in government," said the doctor; "and I guess I know more of the people who've been in government, like Tom McCloy, for example."

"Jack McCloy," put in one of the lieutenants.

"Yes, John McCloy," continued the doctor, firmly, adding that he hadn't exactly consulted McCloy, but he had a very good idea that McCloy wanted him to take over the Voice of America; and besides he had been strongly encouraged to do so by one of the journalists closest to Senator McCarthy. "When the President asks you to come, you come," he concluded.

But how Dr. Johnson was asked, had his interest in public service first begun? What was his training to direct the Voice of America? These questions had an electric effect.

BIOGRAPHIES APLENTY

The lieutenants whisked out sheaves of Johnsonian biographies in formats ranging from the humble mimeographed released to the costly illustrated brochure. Meanwhile the doctor explained that he had served for 17 years as advertising director of the "Time-Life" enterprises, when he chanced to make a transatlantic crossing with Pennsylvania's slightly raffish new deal governor, George Earle. Earle persuaded Johnson to become Pennsylvania's relief director. This was important because "somebody remembered the job he did in Pennsylvania" when Temple University was looking for a new president.

"They wanted a man with character, guts and principles," said the doctor simply.

They took the doctor. The second Johnson phase was causing new buildings and new endowments to spring up like new grass at Temple, which is the city college of Philadelphia. All the while, however, his interest in politics continued. There was a Willkie phase. There were other, wartime phases. Above all, there was a final Eisenhower phase.

"I told John Hamilton," said the doctor, "I love Bob Taft too, but I was for Ike."

One gathered from the doctor that his support of Eisenhower was more of a factor than is generally appreciated. There was the time when the Eisenhower preconvention campaign "was in a kind of slough of despond," and the doctor telephoned Governor Driscoll of New Jersey. "It was a funny thing," said the doctor, "Driscoll came out for Eisenhower four days later." And then there were the pamphlets describing the Texas delegate steal that the doctor sent to every Republican convention delegate, "that was funny too," said the doctor. "I've always said the Texas fight nominated Eisenhower."

It is too bad there is no spare for the doctor's whole autobiography through it all, at any rate, among all the well-known names and remarkable incidents, there shone the doctor's powerful salesmanship. How then was this gift of salesmanship to be employed in speaking for America? The question was quickly answered.

HIS THREE TARGETS

"I believe I've got three main targets," said Dr. Johnson.

"I want to stir up the people behind the iron curtain. I want to separate some of the satellite countries: I've got to try to keep the free countries free."

It seemed a tall order. Just what was meant by "separating some of the satellite countries," the doctor was asked.

"Oh," said the doctor, "I mean a revolution really. I think if they know in those countries how some people are always opposing the government, and how they're being constantly liquidated, they'll come to the West."

"There seems to be some question about government policy on encouraging revolutions," said one of the lieutenants, rather hastily.

The doctor amiably agreed that government policy would have to control his efforts, but added he would hardly be able to accomplish anything anyway unless the whole U. S. information empire were left intact in his hands. One of the lieutenants produced a statement by Senator McCarthy, strongly condemning "fragmentation" of the Johnson empire as an Achesonian plot. The doctor explained that Senator McCarthy "felt this was a very vital program," and remarked that the Senator had "helped him a lot."

Both Parties Looking Ahead To General Election In 1954

By CONGRESSIONAL QUARTERLY WASHINGTON

A SLAM-BANG battle for control of Congress is being plotted on political drafting boards while campaign issues are being formulated by Congressional and Administration action.

With no national contest, the 1954 political warfare will rage with varying intensity on 48 state fronts.

President Eisenhower and other Republican spokesmen have said the GOP needs control of Congress during the final years of the President's first term, presumably to finish "cleaning up the mess" in Washington.

But the Democrats, already breathing down the necks of Republicans in Congress, are laying plans to try and recapture the House and Senate in the midterm elections.

Apprehensive over their razor-edge control of both houses, Republicans told Congressional Quarterly they not only intend to fight off the Democratic bid but are hopeful that they can increase their margins of control.

Thirty-three Senate and all 435 House seats will be at stake.

HINGES ON A FEW SEATS

In the Senate the Republicans hold control by a margin of one seat. There are 48 Republicans, 47 Democrats and one Independent in the Senate.

In the House, Republicans are in control by a mere handful of votes. To control the House a party needs a minimum membership of 219. The Republicans now have 220 members, the Democrats 210. One seat is held by an independent and there are four vacancies, three in solidly Democratic districts and one in a solidly Republican district.

DEMOCRATS EYE HOUSE

Democrats believe they have an excellent chance to win control of the House. Since 1930, with one exception, the minority party has picked up an average of about 50 seats in midterm elections Republicans were in the minority before all of these elections except that in 1930.

In 1932, four districts went Republican in the Southern states of Virginia and North Carolina. If the Democrats could win back these—and hold the rest of their seats—they would control the House in the next Congress.

The Democrats are laying claim to from 25 to 36 seats which, they say, are held by Republicans who rode into office on the popularity of President Eisenhower. As the President will not be on the ballot in 1954, there can be no "coat-tail riding" in the Congressional races next year. Many Democrats hold the view, shared by some Republicans, that the 1952 election was a personal triumph for the President rather than for his party.

Republicans see several factors working in their favor in their effort to increase the GOP membership in the House in the next Congress. The new President is very popular, according to current polls, and if his popularity continues it should aid the Republicans in 1954.

Also, in some sections Republican strength has been increasing gradually in recent years.

GOP SENATE CONTROL

Republicans confidently expect to increase their Senate membership in 1954. The Democrats are the more vulnerable to attack there because of the 33 seats on the election block in the Senate next year, 21 now are held by Democrats and only 12 by Republicans.

Democrats admit they have an uphill fight to win control of the Senate, but think they have the issues on their side and they intend to exploit them. They have dubbed the GOP-controlled 83rd Congress the "give-away" Congress, just as former President Truman tagged the GOP-controlled 80th as the "do-nothing" Congress.

Issues which the Democrats are stressing are the passage of the controversial "tidelands" oil bill, the power policy of the Administration, the cutback in the synthetic liquid fuels program, the farm policies of the Eisenhower Administration and particularly in regard to price supports and grain storage, the "hard-money" program of the Treasury Department which has resulted in a boost in interest rates, the cutback in social services and in defense spending, particularly on air power, "big business" in government, "political payoffs" in Federal jobs, and civic rights.

The Republicans are counting heavily on peace in Korea, and a tax reduction and a balanced budget as prime issues in 1954. If they have fulfilled their pledges on these three counts, some Republicans believe their party could pick up 60 seats in the House.

Paroled War Criminals Still Popular Heroes In Germany

By ROBERT C. RUARK

I SEE some stuff about smiling Albert Kesselring, the former German field marshal, who wasn't on hand in his task in defending Italy against the inroads of democracy and some more about ex-Field Marshall Erich Von Manstein, who just got himself a permanent parole.

Interesting thing is that both gentlemen were sprung as war criminals, and already they're beginning to be heroes, with Wagnerian overtones.

Von Manstein, sentenced to 18 years for the mass killing of Jews, Russians, and hostages, has just been greeted joyously by 2,000 villagers. He is a hero in his own home town. Smiling Albert, that scar-faced old fraud, has just been made chief of Germany's biggest veterans association, the Stahlhelm or Steel Helmets. He said: "Freedom is still threatened. To ward off this danger the Western world must become united." He also added that to insure Germany's operation the West should release the remaining German war criminals.

DOESN'T TRUST 'EM

Mister Kesselring has been out of jail, as a war criminal, just seven months. I don't know how this noble operatic heroism sounds to you, but it sounds sour to me. I know we need to stand off the Russians, but I still remember Germans, mama, and I wouldn't trust one as far as I could throw him if he had a little defeated Volkschmers going for him.

There was a war called One, and out of it came some forgiven corporals and air force officers and generals. The names sounding, to remember but from the same standing start as Kesselring and Von Mannstein, a bloke name of Hitler and avatar called Goering came up swift like the daisies. Or the poppies in the fields at Flanders.

And the approach is always the same. A hero released from his vile durance, comes home to be decked with roses and to call a meeting of the young embittered at the nearest bierstube. They start out yelling, "Heil." And conclude with "Sieg heil."

Hitler was only a corporal with a fanatic imagination, and Goering was a dope-addicted fugitive from Richtofen's famed Flying Circus, but man, what a mess they handed the world. I agree thoroughly with Stanley Albert's sentiment that the Western world must be united, but the way smiling A. and his friends have gone about uniting it in recent years leaves me just a touch cold.

I had some friends in Rotterdam, and some more in London.

You'll pardon my skepticism, I hope, but I do not cotton to ex-German officers who suddenly crawl out of holes and begin to make noble noises. It is a long, rattling race, and one which rebuilds itself from adversity with fine sentiment. To me a Kraut is still a kraut and if you will check this sentiment in England, France and Alsace-Lorraine, you will find it echoed.

Drew Pearson's Merry-Go-Round

Eisenhower Ponders Cabinet Shortcomings

WASHINGTON

THE President is becoming increasingly moody over the shortcomings of certain Cabinet members. Here is the general line-up of how the Cabinet rates with Ike.

He takes an increasingly dim view of Secretary of State Dulles.

Secretary of Defense Wilson annoys him.

Secretary of Agriculture Benson is liked, but the President has begun to realize that the farmers don't like him.

Secretary of Labor Durkin seems to make no impression on the President, is regarded as a necessary evil.

Secretary of Interior McKay has left the President pretty much alone, knows how to get things done without ruffling White House waters.

Attorney General Brownell and Postmaster General Summerfield rank high, somewhere behind Secretary of the Treasurer Humphrey.

Ike is concerned about the health of his legislative liaison expert Gen. Walton B. Persons. Persons is a No. 1 advocate of compromise with Ike's enemies in Congress. This policy now shows signs of failure, and Person's health may force him to withdraw from the job.

Ike has also lost some of his enthusiasm for his chief of staff, former Gov. Sherman Adams of New Hampshire. Adams has his eye on Sen. Styles Bridges' seat which is up for grabs next year, and this could be Adams' cue to bow out of the White House.

What Ike is hunting for are more people with a global view, including a White House chief of staff with more international experience.

Red Potash In U. S.

IT'S been kept undercover, but the Communists are dumping potash in the U.S.A. at cut-rate prices.

American producers claim this is an attempt to close down our domestic mines, so we will be caught short of potash in case of an emergency. They point out that potash is high on the strategic list, since farmers must have it for fertilizer.

This column has been able to trace the flow of Communist potash back to an East Berlin firm, Diet Dia, and to a German front men but strictly controlled by the Russians. Their source of supply is the East German potash mines in the Communist zone.

Three American firms have been quietly doing business with Dia and peddling the Communist potash on the American potash market at knockdown prices. They are: Woodward & Dickerson of Philadelphia; General Fertilizer and H. J. Baker, both of New York.

However, Herbert Rauchfuss of Woodward & Dickerson explained to this column that he not only had the State Department's permission to trade in East German potash but had actually been encouraged to keep the lines of trade open behind the Iron Curtain. He claimed that his company had been bartering thirty-six tobacco for the potash. Thus, the West has been getting strategic potash in return for poor-grade tobacco, and he argued that it would be unpatriotic not to snap up such a deal.

Furthermore, he pointed out that the government, itself, bought 40,000 tons of Communist potash from his company and transshipped it to Formosa to help Chiang Kai-shek's farmers. The deal was made through the Commodity Credit Corporation.

Note: Dozens of private fertilizer plants have refused to buy the cheaper East German potash and are paying as much as $10 a ton more to American producers. In brief, the U.S. Government is buying Communist potash that many American firms have boycotted.

Labor Skirmish

IT'S well known that the ex-governor of Virginia, William Tuck, now a Congressman, will not sit on the House Labor Committee. But here is the inside story of how he was kept off.

Having earned a reputation for "keeping labor in line" while governor of Virginia, Tuck decided that his logical niche in Congress was on the Labor & Education Committee.

Committee assignments for freshmen Democrats are made by Democratic members of the Ways & Means Committee, but the hard-working Virginian didn't wait for this formality. With the backing of potent Sen. Harry Byrd of Virginia, who interceded with House leaders, Tuck assumed this appointment was secure and dispatched a clerk over to the Senate Labor Committee to get him some data on "right to work" (antiunion shop) laws which he had promoted as governor of Virginia. Tuck also hinted at a public luncheon that he would soon be open to suggestion as a member of the committee.

Hearing of this, the American Federation of Labor got busy. An A.F. of L. legislative scout, George Riley, called on Tuck to find out if the Virginian's antilabor views had changed any. They hadn't. Tuck was blunt and forthright in stating: "I'm going to vote against you nine out of ten times, and probably on the tenth."

Riley and another A.F. of L. legislative adviser, Andrew Biemiller, promptly told Democratic minority leader Sam Rayburn what happened.

"This man wears the golden collar of big business," Biemiller protested, "as I recently stated before the State Federation of Labor in his own state of Virginia. American labor won't take his appointment lying down."

Meantime, five House Ways & Means Democrats—Forand of Rhode Island, King of California, Dingell of Michigan, Eberharter of Pennsylvania and O'Brien of Illinois—were all set to vote against Tuck. Since the Virginian needed a majority of six of the ten Ways & Means Democrats to cinch his appointment, this means his goose was cooked.

Rayburn, who was for Tuck in the beginning, changed his mind. Tuck took a less-desired assignment on the Post Office & Civil Service Committee, where he is expected to do a conscientious job.