

# THE CHARLOTTE NEWS

1888-Sixty-Fifth Anniversary Year-1953

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## A Realistic Federal Budget

PRESIDENT EISENHOWER'S budget for the next fiscal year—the first budget over which this administration has had complete control—is a good deal more realistic than were the campaign promises of 1952. The President proposes to spend \$65,570,000,000—down from 5 billion dollars from the current fiscal year, and more than 8 billion dollars under fiscal 1953. He estimates total revenue at \$62,620,000—also down some 5 billion dollars from the current fiscal year. And he predicts that the budgetary deficit will be just under 3 billion dollars. The statutory debt limit, he says, will have to be increased. The major reduction will be in the defense program, reflecting the new Eisenhower-Dulles emphasis on fuller exploitation of air power and new weapons in quick retaliation for any aggression. Yet, even so, defense dominates the budget, as it inevitably must so long as the worldwide communist threat exists.

## Two Sides To Industrial Picture

THERE were several encouraging aspects to the report on North Carolina's industrial growth given to the State Board of Conservation and Development this week. The board heard from the director of its commerce and industry division, Paul Kelly, that 144 new industries were started or planned in 1953, and that 91 significant expansions of present industries took place. This growth meant 16,000 new jobs, and represented an investment of some 60 million dollars. The board was also told that industry is becoming more widely dispersed geographically and better diversified by types—both desirable trends. But there is another side to the picture, and it doesn't look so good. The current issue of N. C. Facts cites Department of Commerce statistics to show that North Carolina is falling behind the national rate of increase in (1) the number

of people employed in industry, (2) the value added by manufacture, the most reliable index of industrial activity. In the five-year period from 1947 to 1952, North Carolina gained 9.72 per cent in the number of persons employed in manufacturing establishments, whereas the rate of increase in the country as a whole was 11.54 per cent. And in that same period, North Carolina's rate of increase in value added by manufacture was 22.28 per cent—less than half the national rate of 45.75 per cent. If North Carolina is to keep up with the booming South, still greater effort by the State conservers and developers, aided by local community enterprise, will be necessary.

## Ike's Military Strategy A Leaf From Taft's Notebook

WASHINGTON (AP)—The force the best possible defense for the United States, but is also the greatest deterrent to war. In his message Eisenhower said his basic strategy for the United States is to maintain a strong military position which can be maintained over the extended period of the message. "It points toward the creation, maintenance and full exploitation of modern air power. . . . This budget . . . provides greater expansion of the United States fiscal year 1955 (starting July 1) than in any year since the close of World War II." Taft, in his 1951 speech, said: "What I object to is undertaking to fight that battle (against worldwide communism) on the vast land areas of the continent of Europe or the continent of Asia where we are at the greatest possible disadvantage in the war with Russia."

## A Partial Tax Exemption For Dividends Considered

By MARQUIS CHILDS

WASHINGTON (AP)—The Ways and Means Committee of the House is engaged in rewriting the federal tax laws which directly affect every man, woman and child in the United States. When finally ready for submission to the House, this will be a work of a thousand pages or more so technical in nature that only the tax lawyers and the experts will know what it means. Presumably the changes are to be of a legal and technical nature. That is to say they will not alter appreciably the ratio of taxes paid by groups and individuals.

The income tax law battles with inequities. While medical expenses can be deducted, the formula is such that it does not take in the cost of a serious and prolonged illness. The 800 exemption for dependents is inadequate in many respects and particularly in the arbitrary provision that only dependent earnings even as much as \$1 above the limit of \$600 fixed in the law can no longer be counted as a dependent. BILLION DOLLAR LOSS The recasting of the law is being carried out by the staff of the Ways and Means Committee under direction of the Republican majority and in cooperation with the Treasury Department. The changes only after they have been drafted. When the first 70 pages of the revisions were turned over to the Treasury, Democrats were startled to discover a substantial change had been made that would eventually cost the Treasury more than one billion dollars in revenue. This was a change in the law providing a series of exemptions to taxpayers receiving dividend payments from stocks they own. In the first year the change would be effected, 5 per cent of dividend payments would be exempt from tax, the second year 10 per cent, the third year and every year thereafter, 15 per cent. Committee experts estimate that in the fourth year the Treasury would lose 12 billion dollars through such an exemption. The formula providing these exemptions is a complicated one. But an example illustrates how it would work. Taxpayer A and Taxpayer B each have an income



## People's Platform

Letters should be brief. The writer's name and address must be given, but may be withheld from publication in the discretion of the editors. The News reserves the right to condense.

### Motorists Should Observe Signs

Charlotte (AP)—I BEG to reply to Mrs. Arthur J. Jordan's letter appearing in last Thursday's News, not for the sake of argument, but in the hope that something I say might contribute to someone's safety. Mrs. Jordan calls the railroad crossing at Atlando Junction a "death trap." I will not dispute Mrs. Jordan. However, I think that even ordinary care probably would have saved the young man mentioned in your letter. He just seemed to be one of those who pays signs very little attention. I do not think there is even one railroad crossing in North Carolina that is not plainly indicated by warning signs, many still have the old North Carolina law stop signs. Still motorists disregard the warnings. I submit that there are hundreds of like "death traps" if we want to call them that, such as stop signs on roads entering main highways. The warning is there, but the motorist pays no attention to them and runs into trouble, that likewise becomes a "death trap." I further submit that adequate warning signs are placed at highway crossings as well as railroad crossings and the purpose of the signs is to prevent injury or death to all highway users. If car drivers persist in ignoring these warnings, it is a certainty that sooner or later they will come to grief. And the worst part is they bring injury to innocent people who are trying to be safe.

### News Helped Nurse Recruiting Drive

Charlotte (AP)—ON BEHALF of the Auxiliary to the Mecklenburg County Medical Society I want to thank the staff of the Charlotte News for the excellent publicity given to our nurse recruiting drive for the week of Jan. 29. Everyone was most cooperative and we feel certain that the success of the drive will be shown in the coming months; and much of that success will be due to the fine newspaper publicity in the Charlotte News. We particularly appreciate the timely editorial which brought out facts and statistics and interpreted them so clearly. The need for more nurses is one that affects everyone in one way or another. Thank you for your interest and help.

### Hits Pay Raise For Congressmen

Charlotte (AP)—I GREW up in manhood in the beautiful Blue Ridge Mountains of Mitchell County over 30 years ago. Back then people lived up there in the old-fashioned way. I went to my grandfather's old water wheel-powered mill. It was this mill that kept the people from being driven to the ground into meal for bread and to make an occasional run of "Mountain Dew."

### How Times Have Changed

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### Washington Weather

Even at the White House, Washington's winter weather has been a major topic. Rushing into the President's office this week to bring the "weather" to the attention of the President was West Virginia Congressman Harley Staggers of West Virginia apologized: "I almost didn't make it. Mr. President, I couldn't get a taxi all this snow."

### Penny-Wise Wilson

Charlie Wilson's policy of concentrating Defense Department contracts in the hands of a few big companies, notably General Motors, is coming in for more and more backbite criticism and may have to be abandoned.

## Drew Pearson's Merry-Go-Round Estimated Two Million Unemployed

WASHINGTON (AP)—THE CABINET is more worried about rising unemployment than it likes to admit. The railroads have laid off 18,000 and the automobile industry another 16,000 since Christmas. More than 142,000 are out of jobs in Michigan alone. Labor Department officials believe that the national unemployment figure has already hit the 2 million mark. In New York Bethlehem Steel has cut production 25 per cent in the last two months and introduced the four-day work-week. In Ohio and Alabama, Republic Steel has cut production 25 per cent in the last two months and introduced the four-day work-week. In Ohio and Alabama, Republic Steel has laid off over 4,000. In Connecticut, Bridgeport Brass has put 2,000 on a four-day work-week. Business men across the country are cutting down payrolls because of dropping sales and overstocked inventories. Note—The administration, anxious to put a good face on the economic situation, has revised unemployment figures by cutting the number of "employable" workers by 700,000. It is argued that approximately 700,000 people are too old or otherwise physically disqualified to hold regular jobs except in periods of peak prosperity, therefore can be classified as "unemployable." If these 700,000 are taken into account, it is estimated as unemployed, the total comes to around 2,600,000.

## Good For The Country, Good For Ford

WHAT'S GOOD for General Motors—or Ford Motor Co. or Chrysler Corp.—may or may not be good for the country, despite Defense Secretary Wilson's famous remark. But when young Henry Ford turns from automotive to international affairs, he comes up with ideas which, if implemented, would definitely be good for the country and the world, including producers of everything from cars to cotton. Henry Ford is a Republican businessman. He is also an unabashed free trader and advocate of increased non-military expenditures overseas by the government, to the conservation of many Republican businessmen. His ideas may not be based on Republican doctrine, but business-wise they are sound. In an address to the Poor Richard's Club in Philadelphia he repeated some of them, brought out a new one. Mr. Ford believes in giving technical assistance to foreign nations, in helping them build basic facilities like roads, harbors, dams, power plants—projects which private capital cannot normally undertake. He believes that private U. S. investment overseas, which has been lagging, should be stepped up, and that underdeveloped countries must provide some guarantees against risks of confiscation and nationalization of foreign capital. He believes the "Trade, Not Aid" slogan is oversimplified because what economic development really requires is much more investment. He believes such a program would be economical as well as dynamic. "Economy" does not always mean not spending money. For, as businessmen know, when a market gets saturated you have

### Aside

WE SHALL leave it to the experts in the sports department to settle the dispute between Frank McGuire and Everett Case over the ethics of the tactics used in the recent Carolina-State basketball game. Ethical or not, the superabundance of fouls made what could have been a fine game into a dull and lousy affair. Case and McGuire have been working hard to build up basketball in the state. A few more exhibitions like that will kill it off.

## HEY, DORIS, BIGDOME!

WE ran a broody little editorial the other day complaining about these Great Executives who are too busy to make their own telephone calls. These are the birds who have their secretaries take the calls, with the result that the helpless fellow on the other end of the line has to wait, and wait, until Mr. Bigdome condescends to get on the wire. Well, the very day after we ran that piece one of these stuffed shirts pulled that very stunt. The telephone rang and a girlish voice on the other end said, "hold on, please, for Mr. . . ." We hung up, but that didn't accomplish anything, in another 30 seconds the phone rang again and there was the same sweet accent saying she didn't understand how we were cut off, but would please hold on for Mr. . . . Mut-

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### Recognizing China

A bitter backstage battle is raging in the State Department between two of the administration's highest advisers over the recognition of Red China. One is Assistant Secretary of State Walter Robertson, who flatly opposes any compromise with Red China. The other is Arthur W. Hays Sulzberger, who favors a compromise with Red China.

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