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Loan Sharks Must Be Curbed

THE legal rate of interest in North Carolina is six per cent. But many lenders in this state are getting from 275 to 536 per cent return on their money each year. In South Carolina their figure has run as high as 955 per cent.

This astounding, exorbitant profit, usually at the expense of very poor people, goes to loan sharks, thanks to the fact that legislators from the Carolinas, and 10 other states, have not seen fit to write small loan laws which protect the poor and ignorant.

Here is a typical example of how the loan sharks operate in this state: A borrower signs up for \$10 to be repaid in eight weekly installments. The total is \$14.64. This total breaks down as follows: \$10 principal; \$2.50—small loan fee; \$1.10—accident and health insurance; 50 cents—notary fee; 35 cents—premium-writing fee; 14 cents—interest; and 5 cents—life insurance.

A few loan companies leave off the notary fee and the insurance premiums. So have Gurney Hood, former state commissioner of banks, and Charlotte Waldo Cheek, former insurance commissioner. They found that the insurance

premiums on small loans sometimes run almost as high as the loans themselves. Hood told the 1951 General Assembly that insurance premiums collected by Carolina Finance Co. during 1950 amounted to 90 per cent of its loans. Aetna Loan & Finance Company of Raleigh's insurance collections in 1950 amounted to 69 per cent of its loans. These costly insurance premiums—levied even though the borrower may not want to insure—were legal because, as Mr. Hood said, "the commissioner of insurance has no authority to regulate the rates on accident and health insurance."

When Mr. Cheek was insurance commissioner he issued a set of regulations applicable to the loan sharks. But they don't do much good, for two reasons. One is that the insurance commissioner has an enforcement staff of but five persons, and they have to check into a multitude of various insurance laws. Secondly, the borrowers frequently do not know their own rights and legal procedures and don't initiate action even though they've been wronged.

The state also has to deal with the abuses in the small loan system which did it by simply forbidding the collection of insurance and sundry other fees by the lender. These state laws recognized, however, that six per cent interest is unreasonably low in the small loan business. So the charge to the borrower—the only charge—is a monthly interest of from two to three per cent.

Revision of the small loan law, then, is another issue which should be considered by the next General Assembly. It is a problem about which we hope to hear Mecklenburg's General Assembly candidates speak.

Dulles Starts Talks With Hands Tied

TODAY a great international conference opens at Geneva amid the soot and black smoke of the hydrogen bomb. On the agenda are two big items: Korea and Indochina, two areas of the vast and restive Far East where Communist imperialism has clashed with arms against the sometimes hesitant defenders of human freedom. Upon the outcome of the Geneva Conference may very well rest the answer to the greatest question of the moment—whether we should have peace in our hands.

The unification of Korea into a free and democratic nation and the ending of the Indochina war on terms that will mean real independence and security for all Southeast Asia are the stated objectives of Secretary Dulles and his British and French counterparts. But the attaining of these objectives seemed further away as the conference opened than it did in February when the foreign ministers of the Big Four, meeting in Berlin, agreed to the Geneva talks.

Several new barriers have been placed in the way of success since February: 1. The rebel forces of Ho Chi Minh, well supplied with arms by China, appear to be on the verge of a military victory at Dien Bien Phu which will have tremendous psychological results not only at Geneva but all over Southeast Asia.

2. Russian Foreign Minister Molotov insists that Communist China be treated as one of the great powers, despite a specific agreement at Berlin that China would be heard as one of the partici-

pants in the Far Eastern fighting only. 3. The American tests of the hydrogen bomb in the Pacific have afforded our enemies new grist for their propaganda mill which grinds out relentlessly the false accusations that the Americans are the war-makers in the East-West struggle.

4. And in America public opinion as reflected in the Congress and elsewhere seems frozen harder than ever before against any bartering or concessions whatsoever that might reduce the tension in the Far East and create an atmosphere in which logic and reason can operate.

It is this last point that disturbs us most deeply at the opening of the Geneva Conference. Without exploring the many unexplored questions that are involved in such great questions as the recognition of Red China or its admission to a place among nations in the United Nations, it is an elemental fact of diplomacy that negotiations cannot be conducted as between victor and vanquished when there is no victor and no vanquished.

Secretary Dulles, by his own statements and by the insistent demands of key Republican Senators, is going into the conference with his hands tied. He has no freedom of movement, no freedom to negotiate. He is approaching Geneva with the attitude of the victor, although the enemy is far from vanquished.

The Split On Trade In The GOP

AS THE foreign policy of this administration unfolds, one interesting point becomes clear. It is that the Eisenhower foreign policy is patterned, in many respects, after what the Democrats did rather than what Republicans said they were going to do. Naturally this trend is resented by many Republicans and helps explain the rift between the two wings of the party. They differ on trade policy, as argued out between Foreign Operations Administrator Stassen and some Foreign Relations Committee members this month, afford a good illustration of the point, and provide insight into administration trade objectives.

To begin with, a majority of the Republican congressmen voted against reciprocal trade agreements almost every time they came up for renewal. The Eisenhower administration not only favors extension of the reciprocal trade agreements, it seeks to expand them to the West trade. This is part of a three-way market drive which, as outlined by Mr. Stassen, consists of:

1. An increase in the wages of the workers in the free nations so they can have greater consumer purchasing power.

2. Increased investment of the free world in the less developed areas of the world; and

3. "An expansion (of trade) in peaceful goods with the Soviet area in exchange for products that are needed."

This idea of increased trade with the Soviets, even in non-strategic items like tractors and butter, aroused the ire of several senators. They felt that the hope of the free world lies in keeping the standards of living so low in Russia that the people won't endure it and will thus revolt. Stassen replied that a revolt would be put down ruthlessly, that the healthy economic situation resulting

from increased trade would decrease the likelihood of another world war.

"If you believe, as we do believe," he said, "that a third world war is not inevitable, that there is a chance, with the right and wise negotiations, of moving the world toward peace, then you open these avenues (of trade) on a basis of maintaining a net advantage to the West, and on a basis of seeing to it that the people in the Soviet area know the basis of your policy. In that what we are engaged in I would also say that this is an area in which you must continuously review and analyze. . . . An economic policy cannot be set in stone."

In sum, Mr. Stassen was asking for flexibility in trade policy so as to permit its adjustment to the rapidly-changing world situation. The administration apparently feels that the possession of hydrogen bombs by both the U.S. and the Soviet Union has reduced the likelihood of imminent warfare. Trade in non-military materials would narrow the chasm between East and West, and profit the West economically, and strengthen it for the long haul war which is in prospect.

This reasoning is sound. But as in other fields of foreign policy, the administration's biggest obstacle will be congressional members of its own party.

First Farmer. "Don't think much of that new weather predictor the government's got."

Second Farmer. "Well, let's don't do any complaining about it. Just think how bad it would be if the government started regulating the weather instead of just predicting it."—CARLISB (N. M.) CURRENT-ARGUS.

Many a man who wears clip-on bow ties is completely trustworthy in other matters.—RICHMOND TIMES-DISPATCH.



Joseph & Stewart Alsop

Democratic Hopes Brighten

WASHINGTON (AP)—Democratic political trend is raising hopes that the Democrats in Congress are claiming to discern a very strong trend in their favor. They say that this trend first became visible when the Democrats won seats in Wisconsin and New Jersey and that it has steadily gained momentum ever since.

House minority whip John McCormack, for example, stoutly maintains that the Democrats today could easily win the House majority of 50 to 50 seats. He is also increasing talk of a Democratic caucus to capture the Senate—a much more difficult feat.

The Republicans, for their part, maintain just as stoutly that the alleged trend is a figment of the Democratic imagination, but they will support their claim. Whether or not this evidence is substantially valid, the reader may be allowed to judge for himself.

RESULTS OF POLLS

First, there are the polls, for whatever they are worth. The Democrats put with pride to the following recent polls:

• A Minnesota poll showing Sen. Hubert Humphrey, who was once thought to be in danger, with an amazingly comfortable lead over his opponent.

• A Denver, Colo., poll showing a 27-point drop from last June in those thinking the administration was doing a "good" job, and an 11-point drop in those thinking the administration was doing a "poor" job.

A poll of eight states from the Republican mid-west, by the industrious Dr. Gallup, showing the Democrats rapidly closing in on the Republicans.

A Texas poll showing a 12 per

cent drop from last August in the administration's popularity.

Second, there was the recent voting in Tucson, Ariz., Santa Fe, N. Mex., and in certain small and 1952 backed the Democrats in the County of York, Pennsylvania.

In the last two elections, in 1952 and 1953, the Democrats elected six Republican members of the city council and a Republican mayor, by handsome majorities. In the election held on April three seats on the city council were disputed and all three were handily won by Democrats.

As always, there were local factors for one thing, the influential "Arizona Daily Star," which supported the Republicans in 1952 backed the Democrats on this go round. But William Matthews, highly knowledgeable editor and publisher of the "Star," believes that the Tucson vote had real national significance. Moreover, exactly the same pattern held in the municipal election in Santa Fe, held on the same day.

In Massachusetts, a whole slew of anti-Communist news items which have never elected a Democrat to office practically since the Revolution, went Democratic. Among these were West Springfield, Conn., Framingham, Greenfield and Agawam.

In the County of York, Pennsylvania, registration of new voters took place between March 1 and March 31 in 1952. York County, admittedly normally Democratic, went for Eisenhower by a lot majority of about 5,000. But the Democrats claim York is heavily Democratic again—new voters registered Democratic by a proportion of two-to-one, and switched registrations were in the same proportion.

QUOTE, UNQUOTE

The meaning of "massive retaliation" comes under scholarly debate. "Was never thus when the kids just called it chip on the shoulder."—LAUREL (Miss.) CURRENT-ARGUS.

RESPONSE AT RALLIES

Finally—or so the Democrats claim—the response at Democratic rallies proves that a new Democratic party is abroad in the land. According to the Democrats, people fight for the

privilege of paying their hard-earned money in order to get a tough chicken and hear the Republicans lambasted.

At a \$25 a head rally in Philadelphia, John McCormack filled the huge Bellevue-Stratford Hotel to the bursting point. At a more recent rally in a Virginia district which went Republican in 1952, House Minority Leader Sam Rayburn was almost mobbed. And so on.

How much does all this mean? The Republicans claim that the debate, the show, the popularity, means little or nothing. They point to favorable straws-in-the-wind of their own—like the Republican sweep in a municipal election in Tulsa, Oklahoma. They also point to still more polls showing President Eisenhower's popularity holding up. "arkly this the Democrats cheerfully admit—but they claim that the President's popularity won't help the Republicans come November."

The Republicans, in moments of frankness, do concede some drop-off from the post-election high point of Republican popularity, but they contend, reasonably enough, that this was inevitable in the normal course of events. On balance, it does seem fair to say that the Democrats have been gaining, and gaining fairly heavily in some areas. But no one claims to know how decisive this trend is—or how it might be affected by the McCarthy circus, the economic situation, or the growing crisis in the Far East.

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Terror In Kenya Can Have Only One Lasting Dividend

By ROBERT C. RUARK

NAIROBI, Kenya (AP)—If the situation here in Kenya was not so pathetic, and so direly desperate for both the whites and blacks, some of the blunders would be nearly first-rate. Gilbert and Sullivan material.

The latest was the breakdown of what is internationally known as the General China Plan. This was an endeavor to effect surrender of the gangs by releasing Mau Mau chieftains to go into the Mt. Kenya bush to offer amnesty in return for surrender. The whole plan, a very detailed cloak-and-dagger operation, blew up and was called off when two other Mau Mau "generals," Tanyanyika and Kalandi, were allowed to return to the forest and simply failed to return.

SETTLERS PLEASED The British government's errand surrender plans seemers to delight a majority of the settlers, who have long railed at the ineffectual retaliatory methods. There is some chance that if they are allowed to pursue a completely ruthless extermination policy in the beginning—repaying one murder with a hundred deaths, using wholesale torture to extract information, and killing the innocent with the same ease as they might have wiped out the early nucleus and prevented its spread among a million-plus Kikuyu and the surrounding tribes.

But they didn't, and the British government was slow to realize the depth of the problem. Despite tanks and tanks and jet aircraft and soldiers, now, the thing has firmly rooted itself in the African conscience. It's my belief that it can never be eradicated completely.

I also believe that the poison

has so spread to the other tribes that only in Kenya but in the adjoining territories, that the old good days of Africa—from the Mau Mau viewpoint—are completely gone.

The seepage of the poison has worked two ways. The non-Mau Mau blacks has been impressed by the fruitlessness of the white efforts to quell the murder gangs and has also acquired some sullen resentment of the white man's tactics and attitudes which were not present here as recently as three years ago.

In any case, a good deal of the mutual love and tolerant companionship between black and white has disappeared, drained into the gutter by the white man's tactics and attitudes which were not present here as recently as three years ago.

THE KILLER GANGS The details of the latest Mau Mau sides are too brutal and revolting for print, but are an indication of the actual caliber of the killer gangs. These people will certainly eventually be eliminated by their own people if not by the whites.

By the horror and evil that they've spread never will be completely sponged away by time, and I am very much afraid that beautiful, lush Kenya, together with the whole surrounding, seething mass of Africa in general, can never again be tranquilly described as white man's country.

Some compromise, painful on both sides will have to be worked out, or the white man who developed Africa eventually will have to leave it in the stewardship of savages.

Here Is More Background On Struggle In Indochina

By JAMES MARLOW

WASHINGTON (AP)—The American people no doubt will want some questions answered if they have to go into Indochina to bail out the French from the Communist-led Vietminh.

These are the main ones: 1. Just how much effort has the French put into the war? How much more would they put forth if this country got in?

2. What would happen if, through American help, the Communists were crushed? Would this country have a deciding voice in Indochina's future or turn it back to the French?

American troops sent in as a last resort would include regulars and draftees. The draftees would have no choice. But French draftees are not sent to Indochina unless they volunteer to go. Would the French change their minds if American draftees were sent into the fighting?

American youths are drafted for 24 months, French youths for 18 months.

Every year in France itself between 250,000 and 275,000 youths are drafted when they reach 21. Why is none sent to Indochina unless he volunteers?

That question was asked the French Embassy here last night. This was how the conversation went:

Q—Why aren't draftees sent to Indochina?

A—Because they are drafted for only 18 months and it would be uneconomical to send them to Indochina to train and then fight. They'd have perhaps only three months' fighting service and then be brought home.

Q—You send no draftees at all?

A—Yes. But only draftees who volunteer.

Q—Does that mean, once they

volunteer to go to Indochina, they must serve more than 18 months?

A—No. They are returned to France at the end of that time.

Q—How is that if you say it's uneconomical to send draftees because their service is for only 18 months and they'd have perhaps only three months of fighting, why do you send any at all?

A—Because it's less uneconomical to send perhaps a hundred than a thousand.

In the three years' war in Korea, American casualties were 142,000, of which about 30,000 were battle casualties. In an average of 2,300 a year, and wounded were 47,000.

In more than seven years' fighting in Indochina the number of Frenchmen killed was 70,000, and wounded was 47,000. That includes only men from France proper—over seven years' total casualties for the French, including troops from North Africa, were 150,000, of which 50,000 were killed or missing.

The number of French officers killed each year has run about 750. Frenchmen say this is the equivalent of the U.S.'s graduating class from St. Cyr, the West Pointers' school similar to West Point.

In the French have held Indochina as a colony for almost 100 years and even in the past seven disastrous years have failed to lose a single officer corps that could replace the French.

Further, the French delayed training the Indochinese administratively so they could someday take over the country if the French gave it independence. Reluctance of the French to let the people have independence has been one of the main reasons for their disaster.

Drew Pearson's Merry-Go-Round

WASHINGTON (AP)—

JUST a few hours before he flew to Geneva, John Foster Dulles, the earnest, indefatigable secretary of state, called the ambassadors of Australia, New Zealand, Thailand, the Philippines and South Korea to give them a briefing on his hopes and aspirations for the conference opening today.

The whole series of events illustrates our somewhat haphazard, at times disjointed policy regarding Indochina, in which thinking the administration does not wish to use troops in circumstances which the United States permit Indochina to come under Communist control. He checked, however, the question of using U. S. troops.

The above conference, though ambiguous, was pleasant. It offset in part another series of ambassadorial conferences Dulles had with the same envoys approximately two weeks ago—conferences which precipitated the secretary's trip to Paris and London to calm down our chief allies.

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Dulles Briefs Envoys On U. S. Policy

WASHINGTON (AP)—

Secretary Dulles, in his briefings to the ambassadors of Australia, New Zealand, Thailand, the Philippines and South Korea, stressed the administration's policy regarding Indochina. He said that the United States would not send troops to Indochina unless the situation there became so dire that the United States would be forced to do so.

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