



THE CHARLOTTE NEWS

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The 'Lost Bond' Is A Teapot Tempest

The "lost" \$100,000 U. S. bond which zoomed this week from obscurity to Charlotte headlines is but one small cannonball in Rep. Wright Patman's grand attack on laxity in the Federal Reserve.

The case of the missing bond, according to Hugh Leach, president of the Richmond Federal Reserve Bank of which Charlotte's is a branch, was thoroughly investigated, clarified, rectified, and put to sleep back in 1956. As an example of freeheeling "laxity," it is hardly worth the bother.

Rep. Patman, vice chairman of the joint congressional Economic Committee, has placed himself before in the ranks of those who criticize the banking and credit policies of the "Fed." We have no way of knowing how accurate his charges against the administrators of the system are, or what his motives are.

Nonetheless, his attack will give aid and comfort to the Fed's enemies—and perhaps it is meant to do so. Like the Bank of England, after which it was modeled, the Federal Reserve System is the capstone of public finance. With its control of credit policies, changes in the discount rate and "open market" operations (sale and purchase of government bonds), the Fed exerts a major influence on lendable money in the U. S. Will money be "tight" or "easy"? The board has a big say.

At the moment, its chief enemies are to be found among "easy money" advocates who believe its relatively high interest policy will stymie the growth-rate of the economy.

Several bills have been introduced in Congress this session to curb the dependence of the Fed, or to change its membership to give a bigger voice to proponents of easy money. They are sternly opposed by economic conservatives who



Federal Reserve Bank in Charlotte

believe it more vital right now to check inflation than to insure speedy growth with cheap capital.

The administration of the Fed may not be perfect. Some public funds may have been spent entertaining Fed employees; some mistakes may have been carelessly made in day-to-day business. But these minor grievances do not strike to the heart of the controversy.

They could prove demagogic by effect if they spur a mystified public to support those who wish to curb the Fed's independence of political control. It is useful to have a flexible policy of public finance, with freedom to tighten money in times of inflation and relax it in times of recession. An independent Fed can follow this policy. If politics is allowed to enter the picture, the board will be dangerously beholden to a party commitment. That could seriously mar its role—which is to temper the economy against boom and bust.

Geneva Recess Calls For No Autopsy

As the Big Four foreign ministers quit their Geneva bargaining table until July 13, no autopsy and certainly no celebration is called for.

Mr. Herter sounded exasperated as he told the nation last night that in his view the Soviets want to absorb West Berlin and keep Germany divided until they can bring the whole country under Communist influence. Of course they do. Mr. Herter must have known that much about Soviet desires before he troubled to go to Geneva.

If we wished to talk about "real" aims, surely America's real aim is to keep Berlin a Western outpost and to keep Germany split until "free" elections bring it safely into the Western sphere.

In fact, we could recite "real" aims endlessly, and perhaps to absurdity. Russia really wants to plot and fangle until the benevolent dictation of the Kremlin is heeded in every corner of the free world. America wants, if possible, to advance the cause of liberal economy and democracy until the best Wall Street brokerages can open branch offices in the shadow of the Kremlin.

Around the table at Geneva, of course, the foreign ministers keep these designs to themselves because it would be both impolite and impolitic to mention them. Only the vague rhetoric of official speeches, at a level high enough to disregard, reveals the true missions of East or West. Occasionally, Mr. Eisenhower interrupts his pleas for a "just and lasting

peace" to call communism a "godless tyranny." Occasionally, Mr. Khrushchev deviates from stressing how willing he is to go to summit meetings to suggest that Russia will "bury" the West.

Both camps suffer from split personality. In practical—that is, political—terms, we want unity and agreement on a fairly modest scale—in Berlin or in Germany or in Central Europe. In ideological terms, neither the West nor the Communist East is sure. To recognize the present status quo of a divided Germany could be an interesting starting point for both sides, perhaps. Yet we dare not admit the possibility, because the ideological side says that East Germany is a "slave" state and that it is our moral duty to set it free. In real terms, the Russians see that a prosperous West Berlin distresses the drab and pinched East Germans. To admit this would be ideological compromise; however, the Kremlin's official line is that keeping troops in Berlin abases German autonomy.

Again, it would be premature to do an autopsy. The possibility of negotiation is not dead. But it is safe to say that the long-awaited stroke of the pen that takes away the anguish of cold war is a long way off. It will probably remain so until the belief on both sides of the Iron Curtain in "peaceful co-existence" is genuine. Meaningful political swaps will elude our grasp so long as East and West harbor a secret desire to devastate and conquer the other man's system.

Tiresome Quarrels Sidestep Big Issue

The continuing debate over the merits of the County Tax Supervisor's Office is a waste of time, energy and breath.

It is not going to be settled until city and county tax operations can be completely merged under a single supervisor who can immediately establish appropriate standards of efficiency and effectiveness.

Meanwhile, if the present county tax office is not qualified to organize and supervise a property revaluation, as City Councilman Steve Dellinger suggests, then it ought to be strengthened until it is qualified. It is sidestepping the real issue to farm out a job that ought to be done locally—particularly when the cost of outside experts is so high.

From The New York Times

THE BIRTHDAY OF A CLOCK

Britain's most famous clock, as Walter H. Wagoner described it in a dispatch to this newspaper, "works like a steam locomotive and the voice of a musical ring." Never mind. For a hundred years, the age it reached recently, Big Ben has spoken for a country, an empire, finally an international commonwealth. Like a certain bell in Philadelphia, it has proclaimed liberty throughout the land. Under the Nazi terror between 1939 and 1945 it bonged defiance to the enemies of humanity and, as we have faith, would do so again if a comparable threat arose.

For Big Ben, reputedly named after a corpulent commissioner of works who not only favored clocks and bells but was also keen for religious liberty, better parks and more efficient governmental machinery is more than a half-ton of metal. It is the voice of a nation and a vast community that have moved from

Far too much emphasis in the past has been put on real or imagined shortcomings and conflicts. Far too little emphasis has been placed on a comprehensive solution to the whole tax problem in Mecklenburg. It is in the latter area that Mecklenburgers would like to see some high-level discussion.

Coronation

Explaining that beatniks are "superior people afflicted with too much insight into the psychodrama of real life," a woman psychiatrist in Illinois crowned her "king of the beatniks." He is Dr. Albert Schweitzer.

precedent to precedent, from battle to battle, from sacrifice to sacrifice, in a great and admirable cheerfulness over many a tumultuous year. Nowadays the voice can be carried in an instant to the uttermost parts of the earth. We, too, hear it and understand its language and its music. There is no provincial accent when Big Ben gives tongue.

A hundred past years, and a hundred years to come, and how many years more at all? These somber questions may arise in many minds. Yet there are some things and symbols in our world that not even an H-bomb can overturn. Let us believe that human liberty is one of them, and that when Big Ben sounds 12 o'clock on any noon or any midnight to come it will still be there, comfortable and unflinching, when it is time to say 1 o'clock—and all's well.

—PEOPLE'S PLATFORM— 'Mecklenburg Has Been Stealing Pupils For Years'

By R. L. Matthews
Editors, The News
Mr. J. D. Morgan, assistant superintendent of Mecklenburg schools, has made statements about busing students and the school systems of other counties which are statements of half-truth and insinuations.

Why, Mr. Morgan, why don't your teachers know where each pupil lives? Have they become so impersonal that they are not concerned with the background of each child? Our teachers make frequent contacts with the parents in order to bring about a closer coordination of the home and the school.

Why all the sudden noise and commotion? For years Mecklenburg County has been stealing pupils from neighboring counties in order to build up their school attendance. Until two years ago, Mecklenburg ran a school bus two miles into Union County to pick up pupils for her schools.

In the so-called "trailer case" why do you wish to uproot a young man from all his friends—with whom he has attended school at Matthews and East High for 11 years? You fail to mention that while his parents' home actually lies in Union County, the property on which it rests lies in both Mecklenburg and Union Counties.

And that this fact has been known for 11 years.

Why have you complained so vigorously to the state because Union County sends its school bus to pick up a little crippled boy—such that the bus stops only 50 feet from the Mecklenburg County line on old U. S. 74?

Are you afraid that some of the Mecklenburg youngsters might walk over the line in order to attend Indian Trail School, a Union County school, considered by many to be superior to any school in Mecklenburg County?

If you are so crowded in Mecklenburg Schools, why do

the Charlotte City Schools accept and welcome pupils from neighboring counties provided they pay the required annual tuition fee of \$80?

While there are many features of Mecklenburg schools to be admired, certainly your schools are no panacea. Many educators feel that in your crash and cram program to fill youngsters' heads with facts you are woefully short in other fields. Certainly you do not provide the personal attention and guidance which are so essential in the development of character, self-reliance, self-respect, self-determination, ambition, reasoning power, loyalty, good citizenship, and fraternity in the individual.

Personally I feel that if your schools continue in their present direction, your graduates, who are lucky enough to escape the juvenile delinquency pitfalls, are certain to end up at a psychiatrist's sofa within a few years.

It is obvious to an outsider that Mecklenburg school officials are extremely concerned over three things: Consolidation, integration and finances. It is likewise obvious that these same officials, who appear to be overly impressed with their own importance, have drummed up a powerful propaganda campaign to horn-swoogle another \$8 million bond election out of the citizens of

Mecklenburg County. Perhaps an agonizing reappraisal is in order.

—D. M. HARRISON
School Commissioner
Union County

'A Rose By Any Other Name ...'

Charlotte

Editors, The News:
If the members of the "Big Four" on the City Council don't like to be called by that name, why don't the newspapers just think up something different? I would like to propose the "Big Bark."

—CORE MOORE

Strauss Affair Was Badly Bungled By White House

By WALTER LIPPMANN

WASHINGTON
Adm. Strauss has suffered through a painful ordeal which need never and should never have happened. The whole wretched business arose from the fact that the President's political advisers at the White House failed to take account of the political situation in Congress.

Adm. Strauss' five-year term as chairman of the Atomic Energy Commission expired on June 30, 1958. As this date was approaching the question of reappointing him to another term was much debated in Washington—at the White House, in Congress, in the press. The most careful soundings were taken. The President did not reappoint Adm. Strauss, and the reason was well known at the time. The admiral had

made so many enemies in Congress that it was doubtful whether he could be confirmed by the Senate. It was certain, moreover, that, if confirmed, he and the Atomic Energy Commission would be in continual trouble.

SIGNIFICANT DATE

After June 30, 1958 the President assigned Adm. Strauss to various posts having to do with atomic energy, all of them posts which held up the confirmation by the Senate. But in the early autumn, following the resignation of Mr. Sinclair Weeks, the President appointed Adm. Strauss as secretary of commerce. The date of the appointment is significant. It was Oct. 24, about a fortnight before the congressional elections

in which the Democrats won a huge majority in the Senate.

There is no reason to think that the White House took the trouble to find out what the majority leadership, which was Democratic, would do about the appointment. This was a grave error. The White House was on notice since the affair of the chairmanship of the Atomic Energy Commission that Adm. Strauss was a highly controversial figure in Congress. With a congressional election pending the White House should at the very least have held up the appointment to the Department of Commerce until after the elections were over.

HORRID STRUGGLE

For only then would it have been possible to obtain the "advice," as the Constitution says, of the Democratic lead-

ers as to whether the majority would "consent" to the appointment.

The failure to take this elementary precaution, which was required both by common sense and by courtesy, precipitated the horrid struggle which ended last week. Had the White House sought the advice of the Senate before making the controversial appointment, the President might well have received assurances that Adm. Strauss would be confirmed. Or, if the White House had found again, as it had found a few months earlier in regard to his appointment as chairman of the Atomic Energy Commission, that he would be fired, attacked and perhaps defeated, the appointment should never have been made. As it has turned out, it would have been better for all concerned, including Adm. Strauss, if he had not been appointed.

IT WAS FUMBLE

What is the explanation of the failure of the White House to seek the advice of the Senate before seeking their consent? The main explanation, I would guess, is that in October with a hot election campaign in progress, with Gov. Sherman Adams no longer at his post, the whole matter was fumbled. Later on, when opposition began to appear, the White House reassured itself wishfully with the thought that it is not right to oppose an appointment to the President's Cabinet.

This theory is a feeble one. It is true that the Senate has only eight times rejected a nomination for the Cabinet. But the Senate has very often—1 do not know how often—been sharply divided about confirming a nominee for the Cabinet, and nothing was ever said but that the minority who voted against were somehow violating the spirit of the Constitution.

FDR'S RECORD

As a matter of fact, Roosevelt's nominee for secretary of commerce, Mr. Harry Hopkins, was opposed by Sen. Vandenberg, and Roosevelt's nomination of Henry Wallace was bitterly opposed by Sen. Taft. In both cases, the opposition voted against the nominee, not because he was accused and convicted of any wrongdoing, but because the opposition disagreed with his political philosophy.

That is the reason why Adm. Strauss was rejected. There were strong personal objections to him on the part of many. But the fight would never have been waged so persistently against him had it not been that there is between

him and a majority in the Senate a deep ideological difference.

The other day, at his press conference on June 3, the President was drawn into making some remarks, quite unrelated to the Strauss affair, about the problems of a government, like the present one, which is divided between the two parties.



Strauss: Strategic Error

Mr. Eisenhower said that he and Mr. Dulles had often talked about whether it would be better to have a parliamentary system in which the government stays in power only when it has the confidence of a majority of the legislature.

THEY WERE RIGHT

They had decided, he went on to say, "to stick with what we have." For my own part, I think they were right. For a parliamentary system, attractive as it is when it works well, would be difficult, perhaps impossible, to operate in a federal union on a continental scale. But this does not mean that we should not under our system do what we can to see to it that the executive branch has the confidence of the legislature. This is most particularly necessary when the government is divided between the parties.

Thus, if the Eisenhower administration is to get along well, the President needs a Cabinet which can count on the support of a congressional majority. This would never have been true of Adm. Strauss.

A Lady's Courage

Since Goldwater is chairman of the GOP committee which does out funds for the re-election of senators, this means a lot. It highlights the more Mrs. Smith's courage in voting against Strauss. She knew what she was in for.

In the editorialization over the Strauss defeat, one fact has been generally overlooked. His initial cross-examination began with freshman senators. It was the men most vulnerable to elected who really unlimbered against the proposed secretary of commerce and, with only one defection, voted unanimously against him.

Drew Pearson's Merry-Go-Round

WASHINGTON

There has been a lot of speculation about the difficulty of getting a top businessman to serve as secretary of commerce. Actually, there are some excellent, dedicated men, well-versed in government, who could be drafted for the desk being vacated by Adm. Lewis Strauss.

Dedicated Worker

Top on the list is Eric Johnston, long-time president of the U. S. Chamber of Commerce, now head of the motion picture industry. For years Johnston has been working faithfully without salary on foreign aid, strengthening NATO defense mobilization and other unpopular causes. Few men

Eric Johnston Would Fill The Bill

know the economic machinery of government better than he.

Another who has served in various senatorial capacities is Charles Taft, brother of the late Sen. Bob Taft. Another alert businessman is Chas. Percy, head of the Bell and Howell Camera Co., who heads a GOP policy committee.

Uncertain Future

Some businessmen of course wait to wait until 1960 and the next Republican administration to get a four-year appointment. But if some of them don't bolster the list Cabinet there may not be another GOP administration.

Note—The secretary of commerce doesn't have to be a big businessman, or even a businessman at

all. Herbert Hoover was an engineer, not considered a businessman when he became secretary of commerce. Henry Wallace was a farmer, and Harry Hopkins had been a social worker.

Dramatic Moment

There's been a lot of speculation as to why Sen. Margaret Chase Smith of Maine, only lady in the Senate, caused the most dramatic moment of the Strauss confirmation vote when she joined Sen. Bill Langer of North Dakota as one of only two Republicans voting against Eisenhower.

As she voted, Sen. Barry Goldwater of Arizona banged his list on his desk, and cursed audibly.

"G—d!" he exclaimed. "She