The News-Review

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TAX ECONOMICS

By Charles V. Stanton

Many editors and political observers throughout the state express fears that the announced tax policies of the present administration will drive industry out of Oregon. Former Governor Charles A. Sprague, recently pointed out in the *Oregon Statesman*, Salem, that Oregon ranked last among the seven states in the 12th Federal Reserve District for industrial growth in the period from 1947 through 1954. "Outside investors," he said, "run into a climate not altogether favorable for employment of capital, with the imminence for additional tax burdens to fall on corporations and their executives."

Oregon's tax structure has not been attractive to new industry. It promises to become less attractive, despite the fact that enlargement and diversification of industry is one of Oregon's most urgent problems.

There is another phase of this tax situation, however, deserving of consideration. Not only is our current tax outlook failing to attract industry, while proposed changes are apt to cause some industries to move, but we should be giving some thought, I believe, to what will happen in professional circles if the tax program now in the making gains final approval.

Shortages Are Possible

The administration proposes to ease tax loads on low income classifications, piling heavier loads on middle and upper brackets and increasing rates on corporations.

How many doctors, lawyers, dentists, engineers, school supervisors, etc., do you expect will remain in Oregon, with the great privilege of paying the State of Oregon several thousand dollars more each year out of incomes, if they are still young enough to go to California or Washington where they can keep more of their earnings?

Democratic leadership made a demagogic and hypocritical campaign against the emergency surtax levied by the last legislature. It was branded a Republican tax and repeal was promised. Angered taxpayers protested the tax increase by their votes.

The present administration, however, proposed a budget considerably higher than that of the Republican administration, and will have to raise more money by taxation. The surtax will be repealed, but in its place there will be a tremendous boost in tax demand, if the proposed budget is adopted.

Increases in taxes are now suggested for the middle and upper income brackets. Under such circumstances I will be greatly surprised if we do not lose great numbers of our professional people, as well as young business and industrial executives we need so badly. Severe shortages are apt to result in professional ranks, I fear.

Burden Is Limited

Ability to pay is an appealing slogan in connection with taxes, but "ability" includes a number of factors not always considered.

Because there are many more people in the low income classification than in middle and upper brackets, it is politically expedient to shift as much of the load as possible away from the low income group. Thus the number of people who pay taxes becomes limited. Many thousands of people who should be paying taxes in Oregon are paying little or nothing. Each dollar they escape paying must be paid by other persons.

The man who must work for wages or salary is dependent upon some other man, or group of men, who will invest the capital required to produce a job. The man on wages and salary has "security" only when there is favorable opportunity for him to obtain and hold a job.

If the tax structure is such that risk capital is not attracted, or if the tax atmosphere is such that business and industry are induced to move out, and professional people leave in such numbers that communities are not attractive to prospective settlers and investors, the dependent laborer has no job security.

As there are fewer rich to soak, more and more of the tax burden must be shifted downward in the scale of income.

Instead of reducing the number of people who pay taxes, we should be endeavoring to bring into the taxpaying fraternity those people who now escape, thereby spreading the burden over more backs.

Those people who view a sales tax with prejudiced vision should give consideration to the fact that "ability," "opportunity," and "security" are very closely related in tax economics.

Two Plans Are Presented For Bolstering Newsprint

WASHINGTON (AP) — Sen. Potter (R-Mich) said Wednesday a Senate newsprint investigation might point the way to two plans for boosting U. S. production of newsprint.

One, he said, would be a fast tax write-off provision to encourage construction of more newsprint plants in this country, which now is dependent on Canada for about three-fourths of its supply.

The other could be some form of government aid to develop cheaper power sources in Alaska, although Potter added in an interview: "I'm no public power man."

The senator is a member of the Interstate Commerce Committee which Tuesday opened hearings on newsprint prices and supply.

One witness said Congress had held 25 newsprint investigations in the last 29 sessions.

The committee continued its sessions Wednesday, with officials of several newsprint producing companies scheduled to testify.

This latest probe resulted from a $4 a ton price increase recently announced by Canadian manufacturers. The increase is effective Friday.

Chairman Magnuson (D-Wash) of the committee said in opening the hearings that the Senate had no legal way to get at the Canadian companies even though, as it appeared to him, there was "some semblance of a cartel."

Frank Heintzelman, recently retired governor of Alaska, testified Tuesday that "public power" might be the answer to newsprint production in the territory at competitive costs.

Alaska has timber in abundance but present power and labor costs are too high to make newsprint manufacture feasible there, he said.

George F. Russell, treasurer of the Tacoma, Wash., News Tribune and vice president of the West Tacoma Newsprint Co., told the committee that new regulations making it possible to export Alaskan logs to this country would help greatly in expanding West Coast newsprint production.

NEUBERGER NAMED

WASHINGTON (AP) — Sen. Neuberger (D-Ore) will serve on the Franklin D. Roosevelt Memorial Commission, which directs activities in commemoration of the late president at his Hyde Park Library.

The appointment was announced Tuesday by Vice President Nixon. Serving with Neuberger will be Sens. Ives (R-NY), Case (R-NJ), and Humphrey (D-Minn).

"Of Course It's Ours---I Think"

Hal Boyle

NEW YORK (AP) — How would you go about selling a 2 milllion dollar diamond?

At the moment the only man alive who has this problem — at least publicly — is Harry Winston.

Out of a dull 426-carat stone scuffed from the earth of South Africa he has pared "Miss Nameless," a 128½-carat tear-shaped diamond which he says has no equal anywhere in the world for purity and brilliance.

So he has hung a price tag of 2 million on this shiny pebble which weighs less than an ounce — so light that even George Washington probably couldn't throw it across the Rappahannock in the middle of a drought.

Historians later may mark this offering of a diamond for sale for 2 million as the high-water mark of 20th Century optimism.

Winston, known as the "Mr. Sparkle" of the international glitter merchants, doesn't feel that way at all. After all, in the last 40 years he has disposed of nearly 200 million in precious gems.

"This diamond is a rare bargain at 2 million — it is truly unique," he insisted.

"Are there any other diamonds in the world valued at 2 million?" I asked.

"Oh, indeed."

"A thousand?"

Winston couldn't have looked more pained if I had inquired whether Woolworth stocks them.

"No, fewer than a dozen. The Nizam of Hyderabad has one."

Winston, who must feel that diamonds have souls, stroked "Miss Nameless" as gently as if she were a sleeping child.

"A few years ago the maharajahs of India would have stood in line for a jewel like this," he mused. "It really belongs in a crown collection — but there are so few thrones left.

"I sold the Jonker diamond to King Farouk in 1937 for well over a million dollars. We've had the Hope diamond — it's blue, 44 carats and valued at a million dollars — for seven years now."

Obviously, in peddling big diamonds, patience helps. You don't have to beat off the customers with pick handles.

"Frankly, I doubt if I can sell the diamond in this country because of the tax situation," he said. "The 10 per cent federal tax would add 200 thousand to the cost. And a New York City resident would have to pay $60,000 more because of the 3 per cent city sales tax.

"The real market for a big diamond is in Europe, South America, or the Middle East."

The biggest possible prospect in the Middle East, of course, is King Saud of Arabia, the only man in the world who is said to dream of buying Texas outright.

Museums, which sometimes do buy gem collections, are no answer to Winston's problem. No museum in existence would fork over 2 million for an authentic painting by Leonardo da Vinci of Herbert Hoover on horseback, let alone a new diamond.

Suppose you had Winston's problem. How would you go about disposing of a 2 million dollar diamond?

To the reader who sends in the best suggestion (in the opinion of this writer), a grand grabbag prize will be awarded consisting of a picture of "Miss Nameless," a free speck of diamond dust, guaranteed to be genuine, and a photo of Elvis Presley, decorated with a hand-drawn mustache by a professional artist.

Please don't send any box tops with your entries.

Peter Edson

WASHINGTON — (NEA)—Government lawmakers and administrators, private bankers and businessmen, egghead economists and professors all have a new 72-billion-dollar riddle to rassle with.

The question is: How do you prevent inflation in a free enterprise economy during periods of full employment and expanding business, while there is a cold war going on which necessitates continued high government expenditures?

Nobody has come up with an answer to this.

Washington economists are therefore studying with interest what appears to be a first analysis of this subject.

It is an article, "Are Living Costs out of Control?" in the February "Atlantic." It was written by John Kenneth Galbraith, wartime deputy price administrator. He's a former Fortune magazine editor, author of a book on the 1929 depression. He teaches economics at Harvard University.

DR. GALBRAITH doesn't have the answer to his own question, either. He merely states the problem. His conclusion is simply that the present efforts to control inflation don't work. The problem is to find something that will.

There are so-called direct and indirect methods.

The direct methods are price, wage and credit controls such as were used in wartime.

The indirect methods include Federal Reserve Board regulation of the supply of money for bank loans, and tax increases to soak up money that would otherwise be spent, thus bidding up prices.

There is great reluctance to use direct controls in peacetime. But indirect controls have been used to a degree.

Corporation tax rates have been kept higher than business wants them. Recent efforts to reduce personal income taxes have been defeated in Congress. The "tight money" policy of the Federal Reserve Board has been in effect many months.

THE APPARENT RESULT of these efforts is that interest rates are now higher than they have been for 20 years and the cost of living has been creeping steadily upward.

Tight money also seems to have made it more difficult for small business to get loans.

Furthermore, as Dr. Galbraith points out, monetary policy makes no contact with the wage-price spiral. He therefore foresees the possibility that demand for everything will continue strong. In that case, wages, prices and profits will continue to push each other up for still more inflation.

Galbraith does mention one untried measure to check the wage-price spiral. It is to prohibit general price increases in any industry until six months after a wage increase is granted in a new labor contract. To balance this, there would have to be a requirement that wage increases could be granted only out of increased profits or productivity.

IN ALL PROBABILITY, neither management nor labor would stand for any such drastic measures. But the whole thing does illustrate the fact that all inflationary controls hurt somebody.

Theoretically, tax rates could be put back to wartime levels. Money could be made even tighter. Price, wage and consumer credit controls could be imposed. And government spending could be reduced, if the country were willing to risk reduced national defense expenditures in this cold war period.

The practical trouble is that political pressure won't allow any of these methods of inflationary control to be used.

In The Day's News

(Continued From Page One)

ate's action is a political maneuver to put the Oregon Democratic leadership on the spot. These charges may or may not be true. It is a fact, which no one will attempt to deny, that political maneuvering sometimes does creep into legislative procedures.

Removal of the state from the property tax field, however, can be defended on sound procedure in Oregon, where the counties, the cities, the school districts and the other minor political subdivisions have to depend on property taxation for the bulk of their income.

The state has other tax sources to fall back on.

But—

All that isn't material to the purposes of this particular piece. What I'd like to point out here is this hard, knobby fact:

No matter how they are levied, no matter what they are called, TAXES MUST COME OUT OF THE POCKETS OF THE PEOPLE. In the final washout, it doesn't make much difference which pocket they come from in the first place.

Taxes are a part of the cost of doing business, and so have to be added to the cost of everything that is produced. Otherwise, business would go broke and nobody would have a job.

So—

In the last roundup—

EVERYBODY will have to pay his full share of all the taxes that are levied to meet the cost of government in Oregon—state government, county government, city government, schools, roads and all the rest.

That is something we should all keep in mind.

With Day's Grind At Legislature

ENDORSE PURCHASE

SALEM (AP) — Purchase of almost a square block to provide parking near the state Capitol was endorsed Tuesday by the Capitol Planning Commission.

The proposal was made by Secretary of State Mark Hatfield, who said more off-street parking must be provided for state employes and for the public.

The block is immediately east of the Public Service Building. The state would acquire the entire block except for an apartment house and a service station.

The Legislature probably will be asked to provide funds for the purchase. The rest of the block is occupied by homes.

BILL FOR ARMORY

SALEM (AP) — A bill to pave the way for construction of a 5 million dollar National Guard armory in Portland was introduced Wednesday by the Multnomah County delegation.

It would appropriate $2,500,000, which would be matched by federal funds.

INTERIM COMMITTEE

SALEM (AP) — The Senate Public Health Committee Tuesday recommended that a legislative interim committee be appointed to study the problems of mental retardation in children and adults.

The committee would report to the 1959 Legislature.

PAY STATE'S SHARE

SALEM (AP) — A bill to appropriate $50,000 to pay part of the expense of the Multnomah County vice investigation and trials was introduced Tuesday by Sens. Carl Francis (R), Dayton, and C. D. Cameron (R), Grants Pass.

Atty. Gen. Robert Y. Thornton has estimated the total cost at $89,000.

A Multnomah County circuit court ruled last week that the state must pay the cost of hiring special attorneys to conduct the trials. Thornton said he would appeal this order to the state Supreme Court.

PENALIZE DRIVERS

SALEM (AP) — Suspected drunken drivers who refuse to submit to intoxication tests would have their licenses suspended or revoked under a bill introduced Wednesday by Rep. Vernon Cook (D), Gresham.

The bill was requested by the Oregon Traffic Safety Commission.

REGULATE RANGES

SALEM (AP) — A bill to have all shooting ranges regulated by the state police was introduced Wednesday by Rep. Herman Chindgren (R), Molalla.

LIMIT BRANCH BANKING

SALEM (AP) — Rep. Richard E. Groener (D), Milwaukie, introduced a bill Wednesday to limit branch banking.

Banks couldn't establish branches unless more than 50 per cent of their stock was owned by Oregon residents.

INSURANCE 'TIE - INS'

SALEM (AP) — Legislation to prevent "tie-ins" between insurance companies and finance companies was introduced in the House Wednesday by Rep. Thomas R. McClellan (D), Neotsu.

Purpose of the bill is to prevent finance companies from forcing a buyer to take out his insurance with a certain agent or company.

House Group Slashes Funds For Interior

WASHINGTON (AP) — The House Appropriations Committee Thursday slashed 12 per cent—$60,794,000—from the Interior Department's request for $515,189,700 in new funds for the fiscal year starting July 1.

The $454,395,700 recommended by the committee for the department and related agencies, exclusive of reclamation and power programs, is $3,739,300 less than was appropriated this year. The Reclamation Bureau and the Interior Department's power programs will be financed in a later bill.

Biggest cut by the committee was elimination of 40 million requested for acquisition next year of tungsten, asbestos, fluorspar and columbium-tantalum.

The House committee said there is no further need to continue the subsidy program for acquiring the minerals.

The bill is the second of 13 regular appropriation bills to be sent to the House this year by the committee. The first measure, financing the treasury and Post Office departments, was passed Wednesday by the House, which upheld the committee's recommendations for a reduction of $80,364,000, or about 2 per cent.

Supreme Court Suspends Portland Attorney

SALEM (AP) — L. B. Sandblast, Portland lawyer, was suspended by the Oregon Supreme Court Wednesday for one year on the ground of professional misconduct.

The board of governors of the state bar had recommended that Sandblast be disbarred permanently.

Sandblast was accused of purchasing property of an estate without consent of the administrator. He also was accused of representing conflicting interests in the case.

The court said that while no harm befell Sandblast's clients, his actions violated the canons of professional conduct.

Oregon Beaches Preservation Bill Passed By House

SALEM (AP) — With only four dissenting votes, the House Wednesday approved a constitutional amendment that would permanently reserve for recreation all Oregon beache except those now in private hands.

The proposal, if approved by the Senate, would be referred to the people for a vote.

Rep. Thomas McClellan (D), Neotsu, urged approval, warning that much of the East Coast beaches have passed into private hands and some sections of the California shore are closed to the public.

Rep. Clarence Barton (D), Coquille, reminded the legislators that ex-Gov. Os West first enunciated the policy that the Oregon beaches should forever remain public.

Although voting with the majority, Rep. Fayette Bristol (R), Grants Pass, said he thought the proposal might permanently shut off opportunities for gas, oil and mineral development.

Two weeks ago, the House State and Federal Affairs Committee killed a bill that would have transferred jurisdiction over the beaches from the Highway Commission to the state Land Board.

Coos County Plywood Operations Cut Down

COQUILLE (AP) — The slow plywood market has forced four Coos County plywood plants to cut their operations to four days a week.

Affected are Textron American's mills at Coquille, Bandon and Norway; and the big Georgia Pacific plant in Coquille.

The plywood market has been hurt by "tight money" reducing housing starts, said George Ulett, president of Textron's Coquille division.

UP LICENSE FEES

SALEM (AP) — A bill to increase commercial fishing license fees was introduced Wednesday by Rep. W. H. Holmstrom (D), Gearhart.

The fees would be increased as follows:

Personal license, $7.50 to $10; gillnet license, $22.50 to $30; setline, 15 to $25; salmon trolling license, $15 to $50; and setnet license, 15 to $25.

Editorial Comment

From The Oregon Press

PAUL REVERE OF DEPRESSION?

Capital Journal, Salem

In Senator Dick and Maurine Neuberger's "Washington Calling" weekly news sheet, sent over the state to constituents as a "public document," free, that is paid for by taxpayers, is listed "The Retail Trade Pattern During 1956," from the Federal Reserve figures for department store sales in all metropolitan areas, as contrasted with 1955.

"This is the picture," Dick says. "The sales of department stores in the metropolitan cities for 1956 were up 4 per cent, in the far Western states up 5 per cent, but Los Angeles and Portland gain was 0 per cent." On which Dick and Maurine pessimistically comment:

"Thus Portland, alone with Los Angeles, is the only metropolitan area in the West where retail sales in department stores did not rise to some extent during 1956. The report is disturbing for two special reasons: (1) Department stores have greater facilities for forcing sales and 'pushing' merchandise than do small merchants and storekeepers; and (2) Portland has generally been more prosperous than Oregon communities in the lumber and rural regions. As I have been emphasizing ever since 1954, the Oregon economic outlook does not call for hysterical alarm, but neither is it particularly reassuring. The situation demands vigilant attention, a stress on realties, political nonpartisanship, and the courage to be bold and vigorous in proposing remedies."

The current issue of the U. S. News and World Report contains a complete report from official figures showing, city by city, that this is still a prosperous country, with "a boom that is still going on, with some of its steam lost with only comparatively few weak spots showing." The figures used are from government departments, and show:

Portland's average worker's income $4,488 for 1956, up 8.1 per cent from a year ago. National average income up only 4 per cent. Extent of unemployment, moderate. Employment up 3 per cent against U. S. average of 2.4 per cent. Department store sales down 11 per cent, against the national average of 1 per cent gain. Banking activity up 15 per cent against a national average gain of 6.9 per cent.

The drop in Portland's department store sales is due to the fact that the larger stores have established branches in some of the larger cities of Oregon, together with the drift of trade to suburban centers. Some 28 cities, including New York, Boston, Pittsburgh, Cleveland, Houston, Minneapolis, and Omaha, showed a loss in department store sales and the national average gain was only 1 per cent.

U.S. News summarizes as follows:

Thus, the boom is not making as much headway as formerly. In a number of lines that once were strong, there are new signs of difficulty that have not yet been reflected in the official figures. What evidence there is of a continuing boom is confined to fewer cities. Where the boom is fading, however, business suffers little by any historical standards. Activity tends to stabilize instead of shrinking seriously. Nowhere in this survey of more than 50 cities do you find any sharp declines.

Is our Dick, with typical Oregon inferiority complex, posing as the Paul Revere of depression? — G.P.

TIMBER REVENUE MAY SLIP

Oregon Statesman, Salem

The Roseburg News-Review manifests some concern over prospective loss of county revenue through reduction of proceeds of sales of timber in the national forests and on O & C lands. This will result if log prices fail to recover from their slump and if sales continue sluggish. Douglas County, notes Editor Stanton, has had a high income from this source. As a result the Douglas County tax rate has been relatively very low. Now if property taxes are to be raised for county purposes "taxpayer groaning is apt to be long and loud."

Such a dose would awaken the taxpayers to how fortunate they are compared with their brethren in the treeless counties. And if the drop in revenues was great enough to make necessary a vote for a special tax levy the lesson would be impressed the more strongly.

The situation does illustrate the risk where a large segment of public revenues is uncertain. That is one of the dangers inherent in putting too much reliance on a state income tax. What happens when that money bag gets a hole in it?

IDAHO STILL EDGY

The Oregonian

Sports fishermen in Idaho, who take a dim view of commercial fishing in the lower Columbia river, are behind a more-or-less serious bill adopted by the Senate of the Idaho Legislature the other day. If adopted by the House and signed by Governor Smiley—which would be carrying the point too far—this legislation would solve the fish-dams conflict in no time.

The stated purpose of Idaho Senate Bill 92 is "to assist the states of Oregon and Washington to eliminate migrating salmon in any part of the Snake river drainage." It would accomplish this dubious purpose by declaring that "any person may take any type of ocean-going trout (steelhead) or salmon in any manner at any time in any portion of the Salmon and Clearwater rivers and their tributaries and in the Snake river below Twin Falls."

Similar bills have appeared in previous Idaho Legislatures and usually have been adopted by one house but not the other. The purpose seems to be to remind Oregon and Washington of Idaho's interest in steelhead and salmon for sports fishing. Idaho really wants greater escapement of these fish, not their elimination by nets, spears and traps. The major spawning areas for spring Chinook and steelhead are in Idaho.

BULLY FOR MABEL

Oregon Statesman, Salem

As the wife of a man who has been in public life for many years as mayor, state senator, governor and secretary of the interior Mabel (Mrs. Douglas) McKay had plenty of occasions to bite her lips over the charges that were hurled in his direction. She must have bit her tongue, too, to keep it from making tart rejoinder in defense of her husband whose inherent honesty and devotion to public service she knew better than anyone else.

So long as Doug was in office, Mabel did refrain from tossing back the dead cats thrown at him. Now that he is out of office she has thrown off the restraint of wifely convention (Mrs. Charles E. Wilson didn't wait 'til her husband was out of office), and has written Columnist Drew Pearson from Mexico, where they are vacationing, to "tell you what a liar you are in your statements. . .regarding my husband."

What ignited Mabel's fury which no doubt has been building for a long time was a recent column of Pearson's which said "McKay hung around Washington for a week and then didn't get an invitation to the inauguration and left the night before—a broken and disillusioned man, to return to Oregon."

The facts? Mabel wrote that they had both a formal invitation to the inauguration and the personal invitation of the President himself. She mentioned that on the invitation of the Eisenhowers they shared a pew with them at the National Presbyterian Church on Jan. 6th, and accompanied them to the White House in their personal car. Later they had dinner with the Eisenhowers and sat with them in the presidential box at a symphony concert. As for ducking out of town the night before the inauguration, they left ten days before, as they had planned. They didn't return to Oregon, but went on an auto tour through the South and Mexico. As for the broken-down part, Mabel wrote calumniator Pearson: "If you could see my husband today, I don't believe that even you could say he was a broken man—he is in the pink of health and spirits."

Bully for Mabel. Doug's detractors must now reckon on her before they spread false charges against her husband. As for Doug himself, he took his defeat manfully; and when he returns will be ready to pitch into whatever business lies to his hands.

CONTROL OF THE BEACHES

Astorian-Budget

Legislation to transfer the publicly-owned ocean beaches of Oregon from the state highway commission to the state land board is before the legislature.

This legislation should be defeated.

The ocean beaches are a recreational asset of the state and the logical agency to control them is the state parks division of the Oregon highway department.

The beaches are under control of the highway department because the original legislation to preserve them as public property, sponsored by former Gov. Oswald West, declared them a public highway and transferred them to the highway department.

In those days many ocean beaches were actually used as public highways—the Oregon coast road followed the beach for long stretches.

Today, although some driving of vehicles is still permitted on the beaches, they are primarily a recreational asset, and will become continually more valuable for recreation as the years pass and the visitors to the coast increase in numbers.

It seems wholly illogical to propose to turn over this wonderful recreational asset to the state land board, which has nothing to do with parks and recreation.

Much preferable would be legislation declaring all the publicly-owned beaches, which have no industrial use or potential, to be state parks.

MORSE - CLARK BILL GETS SUPPORT

Grants Pass Courier

This office is in receipt of a copy of a letter written by Dana McBarron, Rogue River, to Senator Wayne Morse in support of the Morse - Clark bill proposing a billion dollars a year of Federal school aid.

Mr. McBarron's stated reason for his support is unique, to say the least. He wants the bill to become a law — with an amendment providing that the funds shall be used for construction of wooden school buildings.

Purpose of the amendment: To give the lumber industry, so important to this area, an economic shot in the arm.

We admit the industry is in a bad way, a condition detrimental to Southern Oregon, especially.

However, we can't go along with the idea that the Federal government should provide billions for school aid for the benefit of the lumber industry.

Futher, we disagree with Mr. McBarron that the Morse-Clark is the best bill.

First of all, the only excuse at all for Federal aid is showing of need.

The Eisenhower bill is the only one which emphasizes that principle. Likewise, the Eisenhower bill would be the least drain on the Federal treasury at a time when retrenchment in Federal financing is essential if we are not to follow the usual boom - and - bust experience of deficit government spending.

Experience shows that there is no such thing as "emergency" government aid — or any other "emergency" taxation.

As an example, we still are paying a Federal tax on transportation, which was supposed to be a World War II "emergency" tax.

We believe that, almost without exception, the schools can be reasonably well financed at local and state levels without their becoming a Federal charge, with all the Federal administration expense and "matching funds" provisions. FS