

Herald and News

Editorial Page

A Tax Is Not Insurance

"Insurance" is an attractive word. Almost everyone has some — life, accident, fire, theft, hospitalization, liability. It is protection against adversity.

But the word can be used in a misleading way. And that is true of the current effort to apply the "insurance" tag to the bill — which got nowhere in the last Congress, but is up again in this one — to finance various measures of health care to everyone drawing social security benefits.

The bill is called, on page one, a "Hospital Insurance Act." But if anyone will fight his way through to page 62 (which, one can be sure, extremely few will do) he will find that the payments are described as taxes rather

than premiums. And page 62 is the truthful one. Social security payments are taxes — and not premiums. Social security offers no contract, as an insurance policy does. The taxes collected for medical care, for example, would not be set aside for the future use of the taxpayers, under an actuarial system, but would be used on present beneficiaries.

The courts have held that these taxes are exactly that — taxes. And so has the Internal Revenue Service, which has placed liens on "delinquent taxpayer accounts" within the Social Security System.

Let government medicine, socialized medicine, be debated to the limit. But let's not accept misrepresentation — which is exactly what calling a tax an insurance plan is.

Marching Doesn't Cure Bomb Danger

There is a certain monotonous rhythm to the "peace marches" of the ban - the - bomb crowd in Britain and elsewhere.

Lately, however, some British participants have offered a touch of variety by storming an underground headquarters and trying to scale the Walls of Windsor castle.

The onlooker can only wonder at the misdirection of effort. We are talking, of course, about genuine pacifists, not the Communist phonies who try to use "peace" as a weapon in their undeclared war.

No doubt the pacifists will continue to argue that their energies are not misguided so long as they make headlines in the newspapers.

They equate publicity for their cause with advancement of it. But more often than not this is pure fancy.

This does not mean that British, Canadian and perhaps some other politicians have not chosen to take note of vigorously expressed ban-the-bomb sentiments.

The point is that these activities have not produced any serious free world disarmament negotiations that would not have occurred

without the peace marches. Free world leaders do not need pacifists to tell them the perils of nuclear war.

Is the pacifists' parading really the triumph of sensitive human intelligence which its honest advocates imagine it to be?

Or is it just an easy way out for people who haven't the stomach to tackle the problems which have given us a world society in which nuclear confrontation is possible?

Sir Winston Churchill, then a voice almost alone, said it far back in the 1920s when he told the world that the way to achieve disarmament is to solve the problems that lead nations to arm.

Aside from some militant and often ignorant persons (perhaps most of them in Red China) who do not know or care about the danger of nuclear ruin, people all over the world want to avoid it.

The pacifists flatter themselves that this is their special cause. It is everybody's cause.

If they want to contribute to it seriously, let them get busy and do something more productive and imaginative than scaling castle walls and storming underground shelters. Those are children's games.



New Rate System Needed

Excerpts from an article by Herbert H. Harwood Jr., in the magazine *Trains*.

The present railroad rate structure is an amazing anomaly. The word "structure" is a misnomer — the system is no longer a structure but rather a hodgepodge of individual rates, each one designed to serve the needs of a particular customer, maintain some marketing relationship, or meet some individual competitive situation. Several different rates may apply to the same commodity between the same two points, and the same rate may apply to similar shipments moving over greatly differing distances. Rates are quoted by the hundredweight on some items, by the ton on others, and in some cases the weight makes no difference whatsoever. A new customer may be charged less than an old faithful customer.

In sum, there are few other industries with so chaotic a pricing system.

To move goods from shipper to receiver, any railroad must perform three basic jobs, and does each one with a widely different degree of efficiency. Usually it must: (1) provide a container for the shipment — the freight car or piggyback trailer; (2) perform a pickup and delivery service — that is, collect cars from separate shipper sidings, and on the other end, distribute them to scattered receivers; and finally (3) carry the cars between terminals in trains — the line-haul operation.

The line haul is railroading's real ace.

The other two items are different kinds of animals. Rolling stock is expensive to buy and difficult to keep moving. The average new 50-foot boxcar can cost between \$10,000 and \$11,000 stripped.

The average freight car is loaded

to less than 80 per cent of its weight capacity.

Including idle time, switching, and all other factors, the average car moves at the glacial pace of 1.9 m.p.h.

It spends 90 per cent of its active life standing still.

Even when it's rolling, over one-third of its mileage is empty.

Thus a freight car really earns money only about six per cent of the time, 22 days a year.

If equipment efficiency leaves something to be desired, terminal operations are worse. The nature of the service makes it inherently expensive — small cuts of cars must be shuffled, trotted around to widely scattered sidings, fetched when empty, and reshuffled.

The I.C.C. has calculated that it costs the average Eastern railroad over \$40 to place a boxcar on a customer's siding and pull it out later on, or \$81 a car to switch it at both ends of the movement — more than the cost of hauling the car 300 miles over the road.

So railroading's inherent efficiency is at best only partially exploited.

A properly designed rate structure may well be the only way to cut unit costs and begot business within the framework of present operating practices and equipment and plant capabilities.

If there is any one magic word, it is incentive.

The whole object of incentive pricing is to give the customer some sort of stake in railroad efficiency, and to allow both customer and carrier to share savings. This concept would center around several simple elements:

Get more into each car — thus making the car produce more earnings and cutting down car needs.

Reduce terminal switching by

getting more cars in each shipment.

Get the car loaded and unloaded quicker.

Entice the customer to give the railroad at least a portion of his normal, year-round business rather than simply his peak overflow or unusually large shipments, or conversely, penalize any extraordinary shipments which demand extra equipment.

Finally, and inescapably, relate the rate to the cost of handling the shipment rather than to artificial classifications or expedient compromises.

No matter what form future rail rates take, they must somehow be based on costs — on both rail costs and those of the competition.

A customer now has many alternatives. He no longer finds it too difficult to run his own trucks, boats, barges, or pipelines, and if he can't afford those, he usually can find some highway or water carrier willing to make a cost-based contract rate. The result: pricing by anything other than costs has become practically unworkable. Despite occasional lapses, I.C.C. rate decisions have tended toward using competitive costs as a major criterion of what a "right" rate should be.

President Kennedy's transportation message has recognized the hard facts of transport competition and has sanctioned a broad range of new principles for the railroads to follow. His invitation was unmistakably clear — but of course he left it to the railroads to decide when and how to accept.

The solution develops completely on the railroads and particularly on their presidents. The tools are available. It is up to someone to give the word to use them.



NOTHING SPECIAL

(W. B. S.)

An incident that occurred in the business office the other day serves as a practice that is prevalent with the Herald and News, and other newspapers, generally. A fellow came in and wanted to publish an advertisement for girls to sell magazines. We don't run such advertising, as we believe that Klamath area young ladies are better off unemployed than they would be running around the country with some old goat soliciting magazine, or other, sales.

We apply some pretty tough yardsticks to the types of advertising we will publish in the Herald and News. While we do not attempt to keep a record of advertising we refuse, it runs up into a pretty big figure every week. Once in a while a bad one will get by the ad staff, but Deb Addison keeps a hard eye on undesirable types of advertising and consistently refuses publication if he thinks they contain any element of exposing our readers to a bad deal. For instance, we do not accept any "mail order" advertising at all, unless it is placed by a local business firm, or a representative of a local firm that has national or regional headquarters in a city other than Klamath Falls.

Want some long-range, big-time statistics? Here are some revealing that the American public set a 3-way record in 1962. American people set up a record in individual savings, spending and personal debt last year.

Accumulated long-term savings of individuals in life insurance, savings accounts, and Series E and H savings bonds grew by an estimated \$11½ billion. This topped the previous peak annual growth of the year before by more than \$8 billion.

Accumulated long-term savings totaled \$368.7 billion at the end of last year. At the same time, consumers increased their expenditures for goods and services by more than \$10½ billion last year. This is practically twice the comparable rise, the year before and one of the largest annual increases in personal spending in record.

Aggregate consumer spending in 1962 hit \$356.7 billion. This was accompanied by a record increase of just under \$22 billion in personal debt outstanding during the year — two-fifths greater than the rise in the year before and \$2 billion above the previous peak annual increase in personal debt of \$19½ billion in 1959.

Well, here we are in official Daylight Time and the earth hasn't stopped orbiting — yet.

It hurts some people to say a kind word — even to children.

Letters To The Editor

Questions

The April 22 issue of our local newspaper carried two items of vital interest to us: One on the front page complete with picture and large block headlines. The second was inside on the editorial page. In my estimation Mr. Hyde's letter should have shared the spotlight with the other article, but I'm certain our editor knows more about publishing a newspaper than I do, so please forgive the criticism.

In headlines we are offered equality by both county and city interests. The question is: "What is this one county unit — how much more will it cost us in tax dollars?" Is it long-range or short-term?

My personal viewpoint is that the one faction has handed the other a blank check and in essence said, "Sign here, we'll talk it over later" (after the check has been signed). Why don't you

people make a few calls on your school board representatives and find out for yourselves, as I did?

We suburbanites are offered a choice, and believe me, we are going to be propagandized by one group more than by the other. One side offers equality and the other offers information spelled out in dollars and cents.

I do not attempt to influence any person's choice — you will do as your conscience dictates on the May 6 election.

I poked my nose into a few cracks and crannies and on invitation sat in on a few committee meetings. I learned enough to send me looking in the opposition's direction — don't misunderstand me, I believe in studying both sides of a question — my vote will be counted right along with those who also deem it worthwhile to vote on school ballots.

I do say get out and vote; but make it your own individual choice. Don't allow one faction only to influence your decision. Our county and city school officials are hard-pressed with an extreme load of duties and dilemmas to face as this year's session ends and preparations must be made for the next. However, they are real flesh and blood human beings like you and I. Don't stand in awe of great sounding college degrees and official titles. These are people who will welcome your interest because it means that our procrastination on school problems is finally getting out in the open and becomes subject to our own correction.

Remember two important issues: (1) Inevitably, more tax dollars, either for or against one-county unit; (2) the moral impact. Is it going to be a good basic standard, or will it bring more chaos in a few years' time?

Educational standards and physical facilities are directly influenced by local economic levels, and low level economy does not produce the dollars and cents that are needed to finance our schools' progress. Budgets and new construction plans get voted down and we have only ourselves to blame because we have not had the time to make intelligent inquiries.

Here is another solid fact, the information is available if you know what to ask of your district representatives, and then apply that information to experienced knowledge.

Good intentions have never yet solved any problem. Only our votes can do this, so get smart and make it a personal project to find the right answer for the good of the majority and not for those privileged few who are popularly thought to be above average in intelligence. Our standard of education is what we make it.

Mr. R. K. Ferrario, 1377 Ward Street.



IN WASHINGTON . . .

A 'Special' Consultant

By RALPH de TOLEDANO

Rumors that the Senate Foreign Relations Committee investigating lobbying by foreign governments has subpoenaed the records of a charity organization have led to speculation as to the course being taken. Until the committee reports, it would be unfair to characterize its work — although to pry into the books of a respected and bona fide charitable group seems somewhat dubious.

But some idea of what may be expected is possible when the past actions of the committee's special consultant, Walter H. Pincus, are examined. Mr. Pincus is very close to committee chairman J. William Fulbright and is considered the real bird dog of the outfit. He has, in the past, been a freelance writer. A series he wrote in collaboration with Don Oberdorfer, ran in the Washington Post and caused a considerable outcry on Capitol Hill.

Where Mr. Pincus stands in the Left-to-Right lineup is a matter for others to determine. But certain facts about him are of interest when his association with a sensitive investigation by a Senate committee is considered. Here again, I draw no conclusions but simply state the facts as I have been able to gather them.

For example, Mr. Pincus attended the 7th International Youth Festival, a Communist propaganda spectacle held in Vienna during July 1960. The American delegation was led by Paul Robeson Jr., and several Americans who attended in order to try to turn the propaganda guns on the Reds were roughed up. A rival "non-Communist" delegation was not seated.

At the Youth Festival, a number of strongly anti-Communist Americans were present — the job they set for themselves had been the sabotage of Communist plans. Mr. Pincus has said that these were his motives. If so, he was remarkably circumspect in his counter-propaganda, and in an organization tightly controlled by Moscow, Mr. Pincus became a member of the Steering Committee.

The newspaper series which Mr. Pincus co-authored, included an attack on the House Un-American Activities Committee. It prompted the committee's chairman, to state on the floor of the House that it was "a concoction of half-truths, untruths, smear, and innuendo" and that it "directly played into the Communist hands."

That Mr. Walter should be angered by an attack on his committee is understandable and in no way proves his charges against the series. Criticism of the House Un-American Activities Committee is not a monopoly of the Right, Left, or Center. What is disturbing, in view of the Pincus position on the Fulbright committee, is the fact that in a number of instances, he ignored evidence presented to him by the committee and made charges running directly counter to the facts, according to Mr. Walter.

A special kind of hanky-ponky was employed to make anti-HUAC points. The newspaper series stated that HUAC's staff and members had borrowed books and periodicals from the Library of Congress, that these books had never been returned, and that they had been paid for with taxpayers' dollars. The facts — and this was demonstrated to the authors of the series — were that the old Dies Committee, before it was abolished and HUAC created, had borrowed a large number of books for use in a survey many years ago. Some were lost and this was discovered in a Library of Congress inventory in 1954. At Mr. Walter's direction, HUAC paid the bill for the now-defunct predecessor committee.

The series which Mr. Pincus co-authored also charged that HUAC had been holding a "road show," moving from city to city, presenting the same evidence and the same witnesses in order to make headlines — all at a cost to the taxpayer. The falsity of this charge was explained to Mr. Pincus and his collaborator — and a casual reading of transcripts would have corroborated the denial — but the charge was nevertheless made.

Mr. Pincus has attempted this technique on the FBI, to which

he is antagonistic, but with no success to date. However, the Fulbright committee investigation may give him the forum he seeks.

There are a good many honorable people in Washington who represent foreign governments, register this fact with the Justice Department, and go about their business openly. But the indications are from stories circulating on Capitol Hill, that the misdeeds of a few will be attributed to all.

The laws delimiting the activities of Americans representing foreign governments are clear-cut and stringent. If the Fulbright committee hearings become another senatorial Roman holiday, no one will benefit but Mr. Pincus who will have material for a book or another series of articles. This is hardly justification for the labors of a Congressional committee.

Almanac

By United Press International
Today is Sunday, April 28, the 118th day of 1963 with 247 more to follow.

The moon is approaching its first quarter.

The morning stars are Venus and Saturn.

The evening stars are Mercury and Mars.

Those born today include James Monroe, the fifth President of the United States, in 1758.

On this day in history:

In 1780, Maryland entered the Union as the seventh state.

In 1941, aviator Charles Lindbergh resigned as a colonel in the U.S. Air Force reserve.

In 1942, the government ordered a "dum-out" in all communities along the Atlantic Coast after dusk.

In 1952, the war with Japan officially ended as a treaty signed in 1951 by the U.S. and 47 other nations became effective.

A thought for the day — Italian dictator Benito Mussolini said: "War alone brings up to its highest tension all human energy and puts the stamp of nobility upon the peoples who have the courage to face it."

Venezuela

ACROSS

1 Venezuela's Angel — is on a Carson River branch

6 This country has — forests 41 Varnish

11 Bird

13 Claw

14 Kind of race

15 Tuff up

16 Whitticism

17 Number

18 Island (Fr.)

20 Killed

22 School subject

23 Mountain

24 Proclamations

26 Moors

27 Scottish stream

28 Wolftramp

29 Measures of cloth

30 Be sick

31 Sue

33 Purposeful

36 Scottish cape

37 Musical direction

38 — avia

40 Chemical suffix

41 Varnish

42 Ingredient

43 Gratitude

44 Malice

46 Beach

48 Beach destination

49 Thought

50 Drivel

51 English dramatist

52 Those who court

DOWN

1 Shapes

2 Interstice

3 Sang cheerfully

4 African worm

5 Crally

6 Pigeon pea

7 Guido's note

8 Idea

9 Parts of fishing lines

10 Worms

12 Landed properties

13 Canvas shelter

18 Bitter vetch

21 Rapids

23 Basement

25 Primitive chisel

26 Exhibition

28 Venezuela's capital

21 Appetizer

32 Girl's name

33 Greek letter

34 Spanish is the language

35 Motorist

36 East Indian island

37 Water vehicle

39 Munchers

44 Indiana abt

45 English letter

47 "Treasure Island" author's initials

48 Student

QUESTIONS and ANSWERS

Q — What mountain is often called the "monarch of mountains"?
A — Mont. Blanc, western Europe's highest peak.

Q — Which state produces most wheat?
A — Kansas.

Q — Is it true that ants kill cows?
A — An ant of southeastern U.S. is known as the cow-killer ant. Although it is a wicked stinger, its ability to kill a cow is doubtful.

Q — Whose likeness appears on the Minute Man monument on the Lexington, Mass., village green?
A — Capt. John Parker as he appeared on April 19, 1775, commanding the Minute Men.

Q — How did the expression "to feel one's oats" come to mean playful and full of energy?
A — It originated as a farmer's expression, indicating how much more energetic a horse acts after it has had its meal of oats.

BERRY'S WORLD



"The worst part of it all was when the machine that replaced me gave a Bronx cheer as I left."