



ED ESHLEMAN'S WASHINGTON REPORT

Inflation fighting recommendations are being heard from many different people these days. Political leaders, labor leaders, business leaders and voters in general are making serious proposals for combating our cost-of-living problems.

In general, my own views on specific steps needed to get inflation under control fall into seven categories. It is the seven items in my personal anti-inflation program that I would like to discuss in this column.

First, Federal spending must be cut substantially. While this part of the program is nothing new for me to be advocating - I have consistently said that reduced government spending would help us get a grip on rising prices - it is a very important part of the whole. The Federal Government can best show its seriousness about the inflation fight by making the first sacrifices itself. Specifically, I would recommend a \$10 billion cut in Fiscal Year 1975 and a \$15 billion cut in Fiscal Year 1976.

Second, the Federal Work force should be reduced. The figure of 40,000 persons being widely discussed in Washington seems a reasonable reduction and one that could be achieved through attrition.

Third, a tax increase on corporate profits and perhaps on individual incomes over \$25,000 should be explored. We must make certain that such an increase would not discourage the investments that are necessary for economic recovery, but tax policy must always be regarded as a potential inflation weapon.

Fourth, we should eliminate the tax deduction permitted for foreign tax credits. This is primarily a business deduction that allows American businessmen to deduct from their U.S. taxes the amount they pay in foreign taxes. It is a deduction the elimination of which can serve the inflation fight in two ways - by discouraging the export of some American dollars and by raising some additional revenue that could be used to begin paying off the national debt.

Fifth, the elimination of another tax deduction - the depletion allowance permitted for overseas oil drilling - should be adopted. This, too, would raise revenue, but more importantly would encourage exploration for lower priced domestic petroleum rather than the high priced oil being bought from abroad. And, increased fuel costs have been a major inflation factor.

Sixth, it should be made very clear that there will be no return to wage and price controls. Part of the price rise problem in recent months has been in anticipation of a return to controls. In other words, prices have been increased more than costs would dictate as a hedge against another freeze. If there is a sure guarantee of no further controls, this kind of increase will end, and inflation rates will drop. In addition, business may respond to such a guarantee by expressing its confidence through new investments and thus help stop the present stock market decline.

Seventh, a public service job program should be established to help those people who find themselves out of a job because of the economic dislocations caused by the Nation's inflation fight. Just as important, the program could

School Junks Junk Foods

Pupils at Edward Street School in New Haven, Conn., won't be eating potato chips, candy or soda during lunch period if Principal Joseph Geremia has his way.

Geremia, a former science teacher, sent notices to parents this week when school opened asking them not to include the so-called "junk foods" in their children's lunches. He said those items will not be sold at the elementary school, either.

"I've seen students eat nothing but potato chips and soda," he said. "It's crazy." Geremia contends those

foods do not belong in a balanced diet.

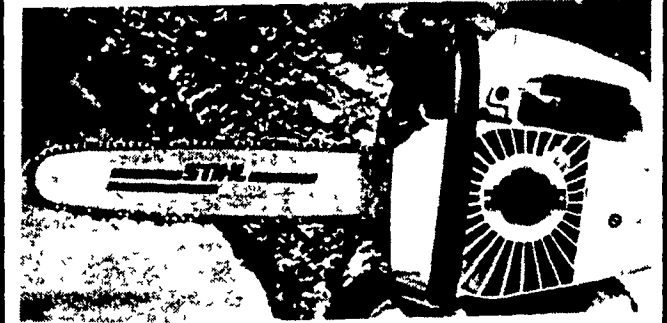
"We're so hypocritical," he said of adults. "We tell kids not to smoke and we

then smoke in front of them. We also know that carboic acid in soda is harmful and we drink soda."

When the principal announced his junk-food ban at a pre-school meeting, parents cheered.



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be used to reduce the expanding welfare rolls that have contributed to our inflationary problems because filling the public service positions should begin with those persons on welfare who are able to work at something.

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