

# EDITORIAL

## From Experience

We knew a teacher once, a proud and brilliant man with an acrid sense of humor, who repeatedly insisted to his students that "man does not learn by experience." That inability to learn, he would continue with a slow, easy smile, is man's tragic flaw.

Another teacher, equally brilliant but perhaps more humble, would conclude his course with the question, "Does man learn from the lessons of history? And the sadness in his eyes told us that he knew the answer.

Given to reflection as we are at the close of the old year, we cannot help but consider the problems of the past and wonder if the future will be better. President Nixon said Sunday, in accepting a national award, that we must "seize the moment" in an effort to achieve a "structure of peace such as we could not dream of after World War II." Our country, Mr. Nixon said, "is on the brink of exercising its power to do good in the world, such good as never has been done in the history of civilization, because we now can muster our moral force, our economic force, and we, of course, have the military power to back up our words."

The time wasn't "right," the President maintained, to seek that just and lasting peace of which we have heard so much, during the Eisenhower or Kennedy administrations. Now, however, the world has changed, and we can look to a "safer world and a better world." "I believe in a world in which the United States is powerful," our President said.

And where have we heard the words, "balance of power" before? "We must remember the only time in the history of the world that we have had any extended periods of peace is when there has been balance of power," Mr. Nixon reminded us Sunday. "It is when one nation becomes infinitely more powerful in relation to the potential competitor that the danger of war arises."

"I believe in a world in which the United States is powerful...balance of power...the military power to back up our words...seize the moment in our relationships with the superpowers."

Ideally inclined, we would not have thought that one time were more ripe than another to seek world peace. We did retain, once, a thread of hope that the ancient eye-for-an-eye and might-makes-right philosophy that is the cornerstone of power politics might fall by the wayside in the enlightened seventies. Denying the maxim, we wanted to believe that ultimately man might learn by experience, from the lessons of history.

At least one of us, it appears, has not.

## Milking Consumers

The capricious and arbitrary action of the Pennsylvania Milk Marketing Board in maintaining exorbitant and inflationary consumer milk prices far out-weighs any benefits the board might have to offer either consumers or dairy farmers. In the Wilkes-Barre-Scranton area alone, because of the milk board's illegal action, consumers have had to pay more than a million dollars needlessly because of a 1970 price increase, according to experts.

Of the 40 states which enacted legislation creating state controlled milk prices in the depression years, fewer than 10 still retain such commissions. No state which has ever abolished milk control prices has ever re-adopted them.

Pennsylvania, as a large milk producing state, is viewed by large dealers as the last bastion of state-regulated controls. Once Pennsylvania decides to abolish milk price control, the other remaining few states with controls are expected to do likewise.

The inequities promulgated by the arbitrary milk board are not only robbing the pocketbooks of the consumer, but creating other injustices as well. According to recent publicity, the inefficient operations of the milk board cost Wayne County Farmers \$250,000 because of a sloppy bonding procedure involving a milk dealer.

Ignoring the wishes of the governor for more public interest decisions, ignoring Commonwealth Court orders as to accounting procedures, and ignoring the right of the consumer to go to the marketplace to obtain a fair and reasonable price for milk, the Pennsylvania Milk Marketing Board has in essence decreed that it will uphold only the interest of the big milk dealer, while granting a license for the inefficient operator to gouge the consumer.

## Changes

By Eric Mayer

By the 26th, Christmas expectations have been shredded and discarded like the bright, insubstantial paper that wrapped the battery operated tanks and plastic air guns. Goodwill, brotherhood, and the rest of the seasonal rhetoric has been swept up with the ribbons and excelsior. Vacation sentiments, like silly party hats, are cast aside in the embarrassed sobriety of New Year's dawn. An outside observer might find Christmas a perplexing and disappointing holiday.

Far out in space, at the very bottoms of the deep chasms between galaxies, where time runs in a thick, black sludge, dwell beings who could be gods, if they were so inclined. But as it is, and was, and, indeed as it will be long after the last Christmas has spluttered out along with celebrants, these secretive beings are content merely to wait and watch; dabbling from time to time in philosophical matters. Even to them the wild expansion of galaxies is but half of a cosmic heartbeat in the life of some still greater entity.

Now one of these elusive creatures—a young one just setting out on his own-made himself at home in one of the ultra-dimensional convolutions of the universe; a place where numerous gravitational fields converge to form a roomy fold in Dr. Einstein's space-time continuum. The nameless being dusted the nebula off his hypothetical floor, picked a few star clusters to decorate his theoretical walls, and dozed off for slightly less than forever.

His fresh star clusters had burnt themselves to dim cinders by the time he awoke. He yawned, sending immense ripples out into the fabric of space, profoundly influencing the intellectual thought of several nearby planets.

Searching for entertainment during breakfast, he chanced to look in on an insignificant little planet that was featuring something called the rise and fall of the Roman Empire.

Interesting," he thought. "Maybe if I hurry I can get there before its over."

So, sliding down slippery lines of electromagnetic energy, leap frogging several galaxies and taking a relativistic turn just this side of Andromeda, he arrived in the vicinity of the solar system - just in time for the finale of World War II.

For a moment (years by our measure) he considered plucking the whole offensive globe out of its orbit, hiking with it to the End of Time, and dropping it right off the edge of the universe into Oblivion. But that was a pretty

long walk, and besides, he was getting too old to be playing "wrathful gods and sinners." Maybe he'd just sneak down for a closer look, disguised as a wisp of moonlight or a glimmer of fog.

So it was that he arrived at the tattered tail end of an impossible marriage. (I, Christmas, take this economic system...)

Obviously here was a barbaric holiday stuck together with Scotch tape, credit cards, and an errant prayer or two.

Landing invisibly in the midst of a busy city, the visitor peered curiously into the teeming minds that surrounded him. He saw gorgeous platitudes, opening gaudy petals to the holiday warmth. But they seemed to be poorly rooted in barren, frosty earth and it became apparent that these glorious plants flourished only for a few short December days each year.

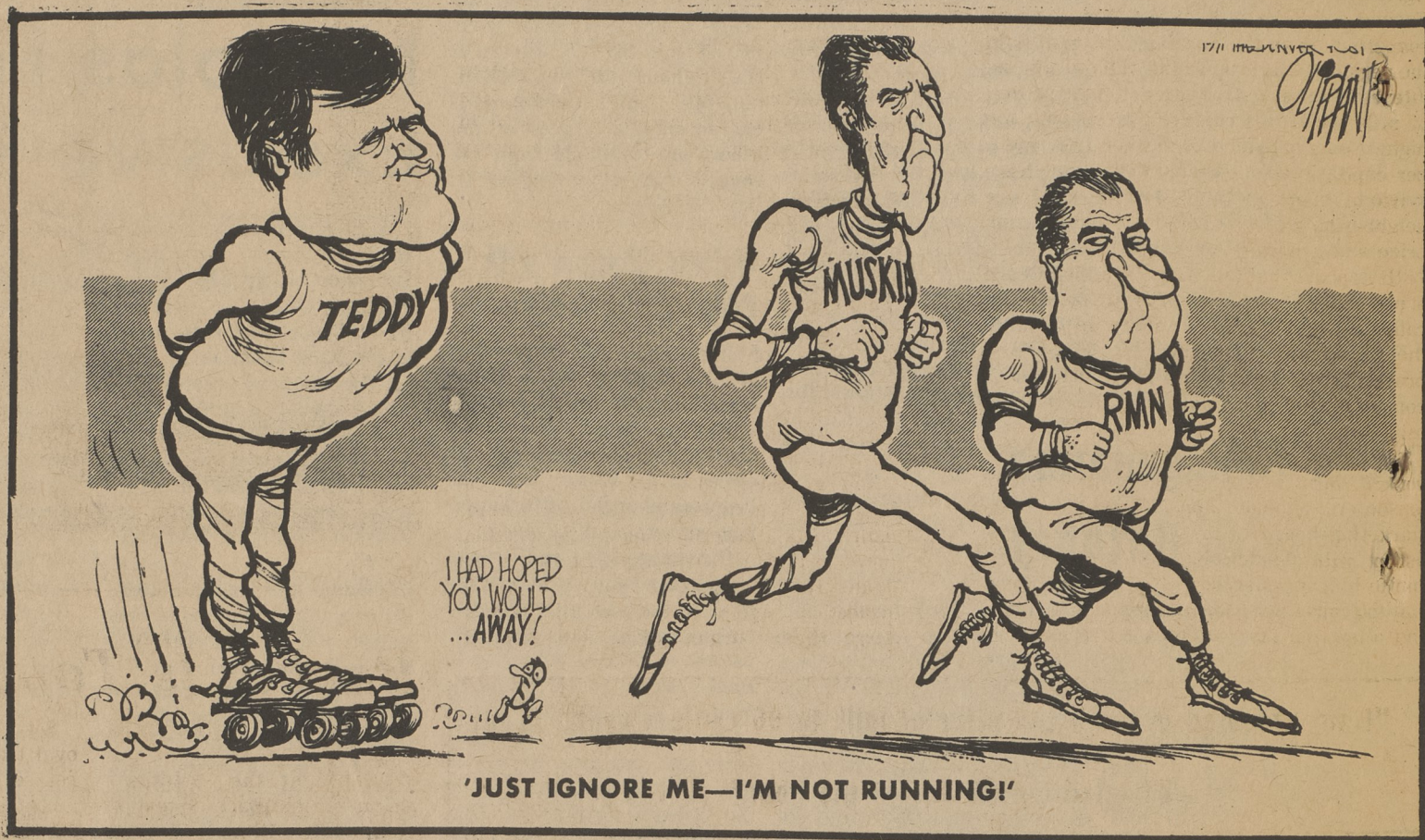
Looking deeper, he learned more; learned of the customs of this world. Perplexed, and suddenly playful, he filled the city sky with a

choir of angels.

The crowd hurried on, unconcerned, sparing only an occasional upward glance. "Amazing what they can do with lights now-a-days," commented one shopper. "I've seen better," sniffed her companion. A father was explaining the principals of holographs, 3-D pictures, to his young son, who was scanning adjacent buildings, hoping to see the projectors.

The visitor grunted with disgust and the angels vanished. Riffing through passing minds he found a swirling confusion of mangers with chimneys, jolly fat men and wise men, all bearing gifts, sheep and reindeer. It didn't make sense.

Already, he could feel the platitudes wilting, shrivelling, blackening in the harsh air of reality. Forgetting himself, he made a million, tiny, simultaneous adjustments. The platitudes bloomed again. Dying sparks of Christmas spirit flickered back to life. And it was nearly the first of January! Unheard of!



## TRB

From Washington

There's a wonderful, wonderful idea that has been on the back burner of the Treasury department for several years now—an indirect, invisible, self-policing new tax that can be turned on and off like a faucet and that raises almost uncounted billions. To a revenue man the idea is like catnip to a cat. It's all the rage in Europe, and Britain will automatically adopt it when she joins the Common Market, all of whose members now have it. Over there it's called the "Value Added" tax but to you or me it's just a national sales tax. There's only one thing the matter with it. It's unfair and falls most heavily on the poor.

Yea, it's regressive. It will widen the gap between high incomes and low incomes. Well, so what?—say the Treasury people defensively. The beauty about poor people is that there's so many of them—think of the consumer taxes they will pay! It may have faults, they add, but it's a bad idea whose time has come.

France adopted the first tax because many Frenchmen had a congenital reluctance to pay income taxes; France invented a tax that outsmarted delinquents. When the Common Market started, leaders thought taxes of all members should be unified; other countries—Germany, Holland, Belgium, Italy—if they didn't have the tax already, adopted it. It is self-policing because it applies to the "value added" at each higher stage of production, so that the buyer of steel rods, for example, is going to be good and sure that he has evidence that the fabricators below paid their tax all the way up from the iron mine, before he turns the rods into mouse traps or whatever.

What seem to be two irresistible forces are now coming together in America to produce a third. 1) The decay of the nation's social structure has reached a point where more money must be spent or the whole house will come tumbling down. 2) To do what has to be done more money is imperative; this is evident everywhere; we have been on an amazing binge of tax cutting to get the economy turned round and Mr. Nixon re-elected; we face a huge budget deficit that has to be met sooner or later; we are going to hear a big cry from hawks for more defense spending because the Russians are doing something or other better than we are; and the revolution of higher expectations is going full steam ahead. So we come to 3) (or at least it looks like that)—a national sales tax.

Here's the evidence. President Nixon has said that "we may very well move" toward the value added tax "as a substitution for some of our taxes." A year ago the Treasury set up a group to study it. Yale economist Henry C. Wallich, the senior consultant to the Treasury and a conservative, writing last April in *Fortune* noted "reports out of Washington" that the Administration "has in mind proposing a VAT (Value Added Tax) as a means of reducing a variety of other taxes"; the courts are now throwing out the property tax (which from the 18th Century has been the basis for financing public education) because it gives affluent suburbs good schools and sooty ghettos poor schools; and just this month Mr. Nixon told senior citizens here again, "We need a complete overhaul of our property tax, of our whole system of financing public education" and

added that "specific proposals" are under consideration. Oh yes, and the other day Commerce Secretary Stans repeated that more than a year ago he recommended VAT, and hasn't changed. Organized business is solidly behind it. It sees a way out of the corporate income tax.

There's another argument, too. As it works in Europe, nations are exempt from paying the value added tax on the goods which they export which means that such goods get a kind of export subsidy; a French perfume leaves France at a cheaper price than it would be wholesale at home. American exporters look on enviously.

A tax like this can be almost invisible. Who can disentangle all those cumulative values—added in the price of a pair of stockings? To the consumer it's like a cloud; all it does is to send up the cost of living. When Holland adopted it under Common Market the cost of living jumped 8.1 percent. That was the rake-off of the state.

The thought of the revenue makes the Treasury's eyes bug; Professor Wallich estimates the yield at "some \$5 billion per percentage point." Oh, boy, it's a gusher! Imagine the emotions of a Treasury official who saw repeal of the 10 percent surcharge lose him \$10 billion; the so-called 1969 tax reform and relief act take another \$10 billion, and now repeal of excise taxes on autos, reinstatement of the investment tax credit loophole, and other gimmicks cost maybe another \$10 billion!

Yes, it's fine, but we think it's immoral. This is why.

The gap between rich and poor in America hasn't been getting smaller. It did for a while but not recently. The distribution of income in the United States has remained practically unchanged in the last 20 years, says a study by HEW. The lower classes haven't been able to hold their own in the private economy and city, state, Federal and private welfare payments have had to go up to prevent a gradual erosion of their income. This is primarily because "progressive" taxes (that put a bigger bite on the affluent) have gradually yielded to "regressive" taxes (that put a bigger bite on the poor). Chief regressive taxes are state and local sales taxes plus the huge ungraded Federal tax on workers to support social security. Until these trends are corrected, says Joseph A. Pechman of Brookings Institution, "the tax system will continue to disgrace the most affluent nation in the world."

The value added tax, if adopted, would be the grand-daddy of all regressive taxes though doubtless it would exempt things like food, of which poor people eat so much. Mr. Nixon would have a good name for it.

Education Tax" maybe or "Generation of Peace Tax." or the "New Revolution Spirit of 76 Tax." America needs money, but who will the politicians tap? Standard Oil with its depletion allowance. Senator Eastland with his subsidy for not growing cotton. Senator Russell Long who wants to make welfare mothers work and collect tax-exempt income? These, or the politically inarticulate blue collar workers, the low income groups, the poor? You guess.

## Guest Edit

From: The Argus-Champion  
Newport, N.H.

The sign "Under New Management" always seemed intended to imply promises. Somehow new management, like the new broom that sweeps clean, was supposed to wipe away all old faults and bring in new efficient service.

All that whoop-de-do in the Post Offices a while back was a sort of latter-day "Under new management" sign.

To grasp its profound significance, however, we need to go back to the ancient Greeks and to a fascinating girl named Pandora.

She was a sort of Eve, the first woman. She was created by Hephaestus and was endowed with all the graces. She was presented to Epimetheus. But that is not all that was presented. There was also a box in which Prometheus had confined all the evils that could trouble mankind.

As long as the lid was kept closed, mankind would be all right. But the gods anticipated correctly. They figured that Pandora's curiosity could get the better of her, and it did. She opened the box and the evils escaped.

That could be what we've done with the mails.

Ever since Ben Franklin started it, the Post Office Dept. was intended to be a service institution. In recent decades, however, as we become obsessed with profit-making, the Post Office, we heard over and over again, was operating at a loss, and as every red-blooded American knows, that's bad.

So now we have invented a new thing called the U. S. Postal Service, and it's supposed to operate at a profit. It would be rather pleasant if it also managed to deliver the mail on time, but its main purpose is to operate at a profit. That's so that none of our tax money will be needed to make up the difference between what it costs and what it takes in.

Right there is where Congress has become a whole band of Pandoras.

Suppose Congress applies that standard to the rest of government.

Suppose it decides that every department will have to take in at least as much as it costs. That way we could eliminate taxes entirely.

Take the Defense Dept. for starters. Its current budget is in the neighborhood of 60 billion dollars, give or take a few billion, nearly all of which is a loss.

Take the Dept. of Agriculture. It operates at an enormous loss.

Maybe the Treasury Dept. could be operated at a profit. After all, if you control the Bureau of Printing and Engraving and the Mint...

The Internal Revenue Dept. could probably stand pretty much unscathed. Yet if we succeed in applying to all government

services the philosophy we have now applied to the Post Office—that each department ought to be financially self-supporting—we wouldn't even need the IRS, and the grief of most of us might be controllable.

The Pandoras in Congress might find themselves in a most vulnerable spot, however, if the people catch this pay your-own-way fever, we might find Congressmen delivering the mail.

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