

The Dallas Post

EDITORIALS

Government can tax, can't build autos

It's a rare occasion, or at least it seems that way, when important matters of public policy converge with regular folks' day-to-day lives. But just such a confluence is apparent in the government's intention to help auto manufacturers develop a new generation of super-efficient, low-pollution automobiles at the same time that local bus services like the Luzerne County Transit Authority struggle for survival. Unfortunately, it's also unusual when the proposed solution to a problem is the simplest, most logical choice. This case is illustrative of that fact.

Attempting to prod U.S. auto makers to produce more efficient vehicles, the Clinton administration proposes creating a government/industry research partnership to develop cars capable of traveling three times as far on a gallon of gas as presently achieved. The effort has been spurred in part because fuel efficiency gains have been minimal since 1985, when government-set mileage standards were last raised. Federal officials apparently believe that only writing regulations or granting subsidies, which of course is how they justify their salaries, will lead to further improvements.

Chrysler, Ford and General Motors aren't much more inspiring. They contend they've pushed present-day technology as far as it can go, and therefore have given up on squeezing better mileage from their products. That's the same thing they said in the 1970s, after which they achieved significant gains when they had no alternative.

What does all this have to do with LCTA and its troubles? Plenty, when you consider the reason that cars don't get better mileage is the same as why people don't ride buses; there's no economic incentive to do so. Gasoline costs less in real terms today than at any time in the nation's history. In addition to burning more of it than necessary, we are now importing a higher percentage of oil than ever before, even in the years just prior to the Arab oil embargoes of 1972 and 1979. That's both wasteful and foolish, two characteristics that frequently are found in unison.

Given the present cost/benefit ratio, there is simply no rational reason to build or buy more fuel-efficient cars, nor is there an economic advantage for most people to ride the bus or share a van on the way to work. And no research project will create one, unless you believe that Americans are ready to pay a premium to buy politically correct cars and trucks. The government plan sounds a little like supply side economics; make a product people haven't asked for and they'll somehow magically desire it. Build it and they will buy?

The government holds in its bag of tricks the simplest, most elegant method by which to promote conservation now and research for the future. It is the ability to tax, and it makes a whole lot more sense than meddling in the auto manufacturers' business. It also doesn't require the addition of one government job, or other public expense.

You can be sure that if gasoline cost \$3 a gallon—or even \$2—the Big Three would quickly discover how to produce high-mileage cars, and the public would line up to buy them. Even better, if some of the additional tax revenue was used to develop useful mass transit, more of us would ride it, further limiting the need for imported oil and cutting pollution.

If higher gasoline taxes are such a clearcut choice, why, you might ask, haven't they been enacted? It's hard to explain, except if you consider that Congress and the President (not just this one, at least two before him, also) simply lack the guts to do what they know is best for the nation. Instead, they would rather build their empires and assure their re-election by whispering sweet nothings in our ears while quivering before loudmouth radio and television talk show hosts who have the ephemeral support of a distinct but vocal minority of citizens.

The irony of all this is that gasoline prices surely will spike up again, but if the cause is oil-producing nations' greed and not self-imposed taxes, all the extra money will flow out of America as smoothly as the oil flows in. Instead of waiting for that to happen, we ought to be taking steps to prevent it.

Another home town boy makes good!

Congratulations to Neal Gallagher, a native of Dallas who won an Emmy award for his camera work filming a television special. Gallagher and his co-winners on the film crew are the unsung heroes of television, toiling unrecognized in the background while performers benefit from their good work.

We share a bit of Neal's satisfaction because some of his earliest photographs appeared in The Dallas Post 20 years ago. Like so many current and future stars, his career goals were reinforced by publication in the local newspaper, and his skill and determination carried him to the top of his profession.

So, keep an eye on those closing credits the next time you're watching a top-flight television show; you may see Neal Gallagher's name among them.

Do you agree? Disagree?

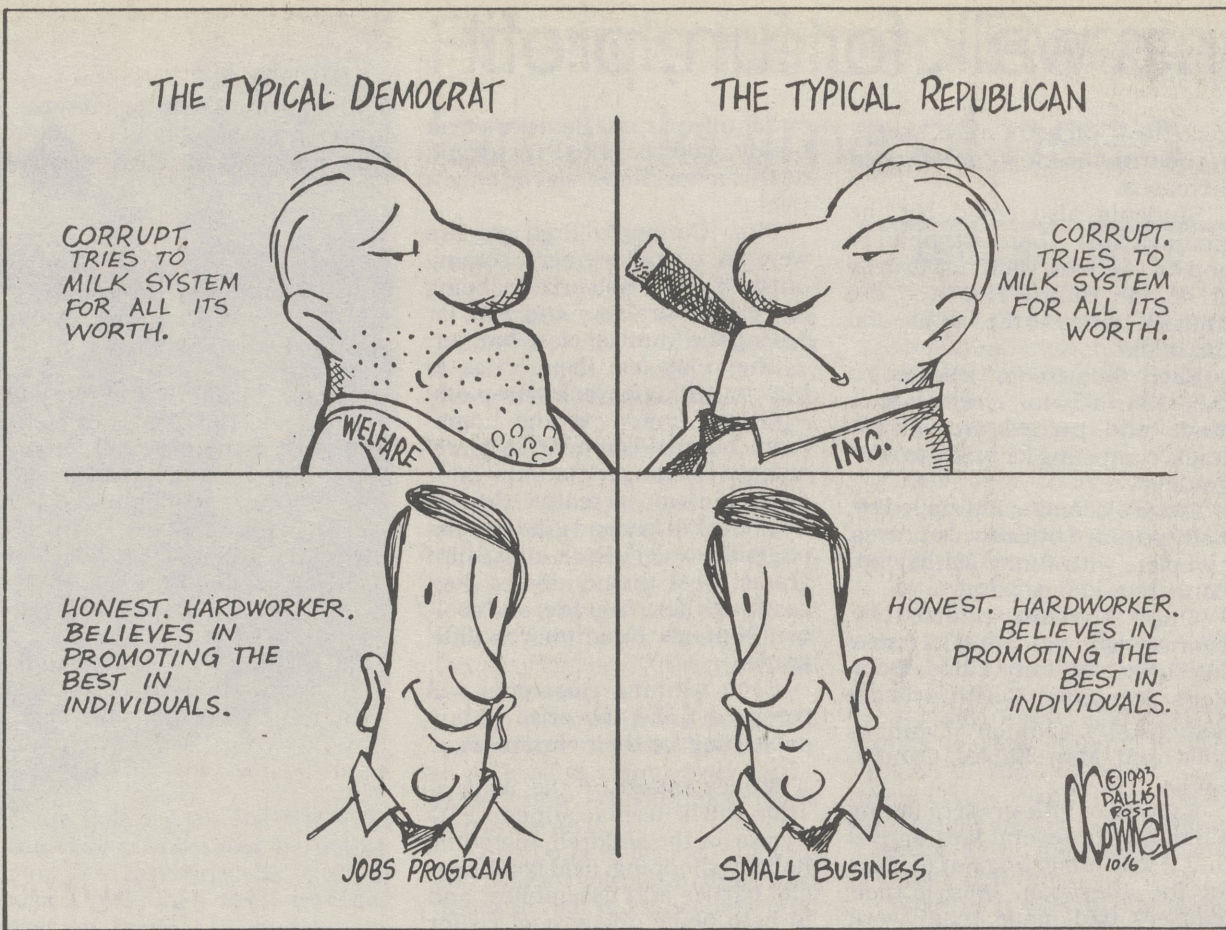
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The economic viewpoint

Taxes didn't go down for most in '80's

By HOWARD J. GROSSMAN

Agree with him or not, Kevin Phillips has written a book titled "Boiling Point" which spells out clearly the decline of middle-class prosperity. Written by the chief political analyst for the 1968 Republican Presidential Campaign, Phillips has laid the foundation for a critical analysis of what has happened to the middle class since the 1970's in disposable income, earnings, home values, job prospects, public services, assets and net worth, pension safety and health insurance, and the next generation's prospects of enjoying the same rising living standards and upward mobility as its parents had. He basically proclaims that the populist anger so vivid in the 1992 Presidential Election is not a one time phenomenon.

Of maximum importance is the relationship which Phillips notes between federal, state and local tax policies, a relationship which is often neglected in the heightened publicity given federal taxation actions. For example, Phillips notes that "In 1990 federal income levies produced \$493,000,000. While the state and local tax receipts had jumped to \$540,000,000, a significant change from the 1982 levies which saw the federal collection system being significantly more than state and local taxes.

He further notes that "Distributionally economics were a far cry from those of the federal income tax debts especially the old, pre-Reagan rate structure. Compilations for 1990 show that combined state and local taxes took 14.8% of the annual income of the poor, about 10% of that of the middle classes and a much lower 7.6% from the top 1%."

Phillips suggests that "For the typical family, the combined tax reforms, rearrangements and user fees of the 1980's, coming on top

of inflation, meant no gain in purchasing power. The rich were no longer being soaked, but those in the middle were. Behind the facade of share prosperity and tax cuts for everyone, the average American family was no longer advancing."

Phillips further suggests that citizens have regained an intensity similar to the first populist/progressive reform wave in 1900-1914 that produced such tools as initiatives and referendum recalls which were first introduced at the state level. As reported by the "National Conference of State Legislatures, the number of initiatives on state ballots set records" by the late 1980's. There were 54 in 1982, then 55 in 1988, 64 in 1990 and finally 75 in 1992. Is this a trend which will mushroom further in coming years? Phillips seems to think so. Only time can tell.

In a chapter title "The Great Tax Misrepresentation of the 1980's", Phillips notes the following:

"Compared with the relatively straightforward tax reductions of previous eras, those of the 1980's could be set to represent an era of tax deception, especially where the average American family was concerned....while lower income tax did become a pleasing reality for billionaires, whose numbers multiplied ten fold as the top rate on unearned income fell from 70% in 1981 to 28% in 1988 and the stock market soared, ordinarily households soon found themselves facing their highest overall tax rates in the history of the republic." Phillips points to a research study commissioned by Thomas Block, President of H & R Block, the tax preparers which found that "Between 1977 and 1990, the tax bill for a tax payer earning \$50,000 a year had increased 7.75% while the bill for taxpayers with incomes of \$200,000 a year had dropped

27.75%. Phillips further suggests that Washington based tax foundation had determined for the year 1990 that direct and indirect federal, state and local taxes has become "An unprecedented weight on the typical US Family, taking a record 37.3 cents of every dollar."

Pointing to the need to link federal, state and local tax measures and issues, Phillips commented that "As Washington lowered federal tax burdens on high incomes, the overall effects of federal fiscal policy wound up boosting other federal, state and local assessments on people in the middle and up to make the nation's collective tax burden of the early 1990's set records as a percentage of peace time GNP and national income."

He noted that tax exactions have been heaped upon the middle income family and even the upper-middle income family through such mediums as:

1. Federal income tax "bubbles" through which the upper middle class paid higher marginal rates than millionaires.
 2. Relentless expansion of social security rates and taxable income basis
 3. Soaring local property taxes
 4. State tax increases and fees
- Suggesting that state-level raids on new revenue sources were somewhat comical in their desperation, he pointed to Wisconsin which began trying to collect sales tax on drinks served on airplanes that were flying over the state, New York registering and charging license fees for cats and requiring animal-grooming salons to provide names and addresses of pet owners, a California debate on a sales tax increase wherein Ritz Crackers were taxed and Saltines were not.

Howard Grossman is Executive Director of the Economic Development Council of Northeastern Pennsylvania. He lives in Dallas.

Library news

Cub Scouts learn about library for badge

By NANCY KOZEMCHAK

The Back Mountain Memorial Library was visited recently by members of the Webelos 4 Dens 1 and 3 of Cub Scout Pack #281 sponsored by Dallas United Methodist Church of Dallas. The Cubs were under the leadership of Herb Bressler, Sue Downey and Bob Morgan. They were at the library to complete a requirement of the Communications Badge.

Marilyn Rudolph, the children's librarian at Back Mountain, helped the boys find the necessary information and showed them how books are indexed to make them easy to find, using the card catalog and discussing the Dewey Decimal System to locate the books on the shelves. Taking part in the study were Kevin Price, Brian Downey, Chris Arnaud, Clint Harris, Tim Polin, Herbie Bressler, Chris Yale, Ryan Morgan, Justin Sayre, Chase Pennell, Brad Lothridge and Michael Miller.

The library is still taking orders for the cookbook, "Best of the Best

from Pennsylvania" and will do so until Tuesday, October 12. The order will be placed with Quail Ridge Press in Brandon, Mississippi on October 15. The cookbook is selling for \$12.00 payment due with order at the information desk in the library.

New books at the library: "Ruin Creek" by David Payne is a novel that travels deep into the soul of a troubled and unforgettable family. It is 1954 in Killdeer, North Carolina and Mary Tilley decides that she wants "a different life from what Mamma and Daddy had."

"Wouldn't Take Nothing For My Journey Now" by Maya Angelou is distilled wisdom from a remarkable woman of many talents—a writer who captured America's heart on Inauguration Day. It is about being in all ways a woman, and charity, spirit and death and its legacy.

"Sacred Clowns" by Tony Hillerman reunites Navajo Tribal Policemen Joe Leaphorn and Jim Chee in an effort to unravel a treacherous web of tribal politics

and murder. Yesterday a teacher was killed but today the murder seems inconceivable as a tribal ceremony unfolds.

"Finnegan's Week" by Joseph Wambaugh is the story of an unforgettable trio on a mission to make sense of a seemingly irrational conspiracy involving deadly toxic waste and a theft of U.S. Navy goods. Their impulsive scheme goes haywire and results in horror and death.

"Fortune's Favorites" by Colleen McCullough is the sequel to "The First Man in Rome" and "The Grass Crown". The events are dominated by the last years of the great general Sulla, and by Pompey, the young scion of an enormously powerful rural family. A return from exile.

"Nightmares and Dreamscapes" by Stephen King is the return of the legend of Castle Rock as it grows on you. A solitary finger pokes out of a drain. Novelty teeth turn predatory and the Nevada desert swallows a Cadillac. This is a vast many-chambered cave of a volume.

Only yesterday

60 Years Ago - Oct. 13, 1933 FARMERS PREDICT VERY COLD WINTER

Dallas Borough School Board met on Wednesday and received a report that six fire extinguishers ordered last month have arrived and have been installed throughout the building and that two fire extinguishers in the old building have been refilled free from the firm from which the new ones were purchased.

If you believe in signs, get ready for a genuine old-fashioned, below zero winter. According to farmers the thickness of the husk corn is a sign of an early and severe winter. Bark on trees is decidedly thicker than past winters and that is a sign of cold weather and snow. Just add them all up and shiver.

You could get - Sugar, 10 lbs., 49¢; Smoked hams, 14¢ lb.; sweet potatoes, 10 lbs., 19¢; flour, 24 1/2 lbs. bag, 95¢.

50 Years Ago - Oct. 8, 1943 WORKERS LEAVE AREA OVER HIDE SHORTAGE

Apparently concerned that a shortage of raw hides may cause further curtailment in production, a number of employees of the Armour Leather Co. plant at Noxen, have moved their families to other localities where they have obtained employment in defense plants.

The second Qualifying Test for the Army Specialized Training Program and the Navy College V-12 which will be given throughout the country November 9, will be administered at the Dallas Borough High School, Mr. T.A. Williams announced today.

40 Years Ago - Oct. 9, 1953 TWO AREA SCHOOLS EYE CONSOLIDATION

Directors of the Dallas-Franklin joint school board instructed Supervising Principal Raymond Kuhnert, Tuesday to invite Lake-Noxen and Monroe Township School Boards to a special meeting October 16 to discuss consolidation of the separate districts.

The Red Feather Drive in the Back Mountain opened its campaign Monday with a kick-off dinner at Wilkes College. The rock bottom goal of \$792,412 must be met this year or some agencies will have to close and many activities be curtailed. Back Mountain goal is \$8,700. Among the services listed are Boy Scouts, Catholic Charities, Girl Scouts, Crippled Children, Salvation Army, Visiting Nurses.

You could get - Standing rib roast, 59¢ lb.; center cut pork roasts, 79¢ lb.; cauliflower, 2 lg. hds. 35¢; Virginia Lee donuts, pkgs. of 12, 19¢.

30 Years Ago - Oct. 10, 1963 LIONS HONOR DOC JORDAN FOR SERVICE

Dallas Rotary Club's own Doc Jordan was tapped Tuesday night for Citizen of the Year at the 3rd annual Inter-Service Club Dinner, the plaque presented by Richard O. Myers, representing host club Dallas Lions.

Further water problems in Trucksville brought a decision by Dallas School Board to have solicitor Jonathan Valentine contact Trucksville Water Co. concerning the matter. Schools were forced to buy bottled water recently for the student body when that supplied by the company was not fit for drinking.

Dallas Mountaineers rated as pre-season favorites in the WSC downed a currently hot Forty Fort eleven, 20-7 at the Dallas field. Lake-Lehman won its second game of the season stopping Northwest 14-0, thus ruining a Parent's Day observance of some 1000 fans at the Northwest field.

20 Years Ago - Oct. 11, 1973 BORO MAY GET NEW PANCAKE HOUSE

The award-winning Lake-Lehman High School marching band distinguished itself Saturday during Band Day competition at Plains Stadium. Under the direction of John Millauskas, the Black Knights added two more first place trophies to their huge collection of national, statewide and local prizes.

A new service "Stamps by Mail" will be offered in the Dallas area beginning this month, it was announced by Bernard C. Gawlas, officer in charge of Dallas Post Office. According to Gawlas, the service will permit customers to purchase stamps and stamped envelopes through the mail using a personal check or money order.

The construction of a pancake house on Route 309, Dallas seemed evident after the property just north of and behind the Dallas Shopping Center was rezoned by Dallas Borough Council for commercial development.