AIRLINES SUBSIDI by Marquis Childs dis-WASHINGTON.—When Sec ry Brannan put out his plan bsidize the farmer and at me time allow the consumer ight's Secre tary vould to subsidize the the subsidize the same time allow the comprises, there were this was an evil Benprocomparatively low were loud outcries. This was an evil scheme, so the critics said, to get government underwrite permanently a lar sector of the economy. catethe oublic large Ha plan-What the defenders of free ıtemthat tha often terprise often overlook is that important business interests are also subsidized by the government. If there is something inherently wicked in a government subsidy, then perhaps the time has come to look more closely at certain practices.

A conspicuous example is the terprise overlook is a fixe cat am to city. de loods, subsidy, the certain practices.

A conspicuous example is the airline industry. The government is now paying airlines, in airmail pay and subsidy, approximately \$100,000,000. The Civil Aeronautics Board believes this must go up to \$125,000,000 in the next fiscal year.

Chairman O'Connell of the CAB said in a speech before the New York Bar Association not long ago that of this total he could not tell "whether the subsidy element represents \$30, \$40, \$50 or \$60 million dollars." That is a pretty remarkable admission for a rean on of supab st be tai are an ·ience the evees pos ter The kin ntrol ma set raters cat costly pro ing tify inc of neasceless sponsible official. and The net operating losses of the rlines, both domestic and in-rnational, before mail pay in airlines, both domestic and international, before mail pay in 1948 was \$91,636,000, which compares with \$76,748,000 in 1947. It is fairly clear, then, that the government is underwriting the profession of the significant in a period of The tio tre tor well gram ment. ernment is underwriting the profits of the airlines in a period of high business prosperity, while the passenger is getting his airline ticket for a lot less than he would have to pay if it were not for government subsidy. Here in essence is the Brannan plan—subsidizing producer and consumer. iority eni rak mo ing car to of bo ormal Aid for New Industry.

This subsidy may be vital. It may be essential to the development of a relatively new industry, although the "temporary period" when subsidies were theotur free mo zealsci an try, although the temporariod" when subsidies were theoretically necessary should now be a National defense—the arded ma aines cei at an end. National defense—the maintenance of a going air transport system—may be sufficient ituted ever, port system—may be sufficient justification.

But, at the very least, the tax-payer has a right to an accounting that will show to what extent he is subsidizing this private industry. One of the recommendations of the Hoover Commission was as sallows. ssent, late s not of the Hoover Commend that the amounts of these subsidies should be paid to the postoffice by open appropriation from tax funds and not imposed upon the postoffice or the mail users in this hidden manner. By such a course, the president, the Congress and the public may know what the amounts of the subsidies are."

This is what Senator Johnson of Colorado proposes to do in one wded n has using en glib wil tincts rui rests. fin bility pe wh n the im of Colorado proposes to do in one of a series of bills now before the Senate. In hearings before the are gu than in Senate. commerce committee, of which he is chairman, Johnson has indicated that he intends to push hard for passage of this long overdue reform.

Johnson her intends to push hard for passage of this long overdue reform. Mass 50 out fus The fir pro com-Johnson has taken a strong line in spite of the fact that the CAB seems inclined to postpone any change by proposing that the bill be held up until CAB completes mama th: ileg**e** completes of the cost rea tatebee long drawout studies of carrying airmail. Similar bills have been introduced in the House by Rep. John F. Kennedy of Massachusetts, who is likewise urging the right of the taxpayer eless, is ora-"sc bears Sh ging the right of the taxpa know what he is getting for with urging the to to The money. on that and Yardstick for Revenues. En ion. and Kennedy propose Johnson it i an allocation system that would fix the costs between passengers, cargo and mail. This would be a he son yardstick to apply to airline rev wit If they were not sufficient cover the cost of operation und these three headings, as they dies under e headings, as the inly would not be, would determine they ar-be, then val Unimost certainly the CAB wou to r of most certainly would not be, then
the CAB would determine the
subsidy necessary for each line.
Congress would then be asked to
appropriate those specific
amounts and the taxpayer would
know exactly where things stood. las Chi ssive tio The and on tary Na Johnson and Kennedy see to create an air arine. In line with the nidalso pro por hac an air m with the merchant ,000 marine. In line with the recom-mendation of the president's Air Policy Commission, their bill Chi Policy Commission, their but would set up the aircraft development corporation with governork, ment corporation with govern-ment funds to develop and build freight planes for lease to private carriers. This directly touches no nek, all , or tional security, since most studies have shown the country woefully deficient in transport planes.

There is reason for concern sick Bel tute n be There is reason for concern over the drift toward ever increas-ing governmental intervention. It is possible to drift into stateism, and a major cause of that drift In An me-In the On uch and a high case of the third third third third third third the today is the concentration of economic power in private monopoly or near-monopoly. Let's at least know what we are doing in this illy To at least in this Bq what doing huknow we business of subsidies. the ara-7.

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