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September 1953 5

Legislative Roundup

National

Until a few hours before adjournment of the first session of the 83d Congress, the question of whether any money would be appropriated for continuance of the Federal-aid airports program during the current fiscal year had been very much up in the air. The House Appropriations committee decided to appropriate no money for new airport projects pending a re-evaluation of the whole program; the Senate committee thought the program should be kept going in at least a small way and voted to add \$12,500,000 in new airport money to CAA's budget. There was much maneuvering and wire-pulling behind the scenes on Capitol Hill for several weeks, and finally, on Aug. 1, the two chambers named their conferees to sit down and try to iron out the conflicts between the two versions of the appropriation measure. The bill that won approval on adjournment day carried no new money for Federal-aid to airports. The House had won.

Except for the big wrangle over Defense Secretary Wilson's cuts in the Air Force Budget, aviation matters got little attention from the session of Congress that adjourned on Aug. 3. A good many aviation bills were introduced, few got to the committee hearing stage, and virtually none acted upon prior to adjournment are not necessarily dead, however; they can still be acted upon in the second session of the 83d Congress, but the prospects for most such bills are not very bright.

Sen. John W. Bricker (R., Ohio) was named chairman of the Senate Interstate and Foreign Commerce Committee following the death of Sen. Charles W. Tobey (R., N. H.). Tobey had shown little interest in aviation matters; whether Bricker will show more interest remains to be seen.

Brig. Gen Joe W. Kelly, formerly a SAC air division commander at Carswell AFB, Texas, has taken up new duties in the Pentagon as director of the Air Force's office of legislation and liaison.

Rep. Samuel Yorri (D., Calif.) introduced a resolution in the House authorizing the Armed Services Committee to conduct a full investigation and study of reprisals which may have been taken against members of the Air Force who, in testifying on the fiscal 1954 Air Force budget cuts, had voiced objections to some of the cuts proposed by Defense Secretary Wilson. No action was taken on the resolution.

Congress finally voted approval of President Eisenhower's Reorganization Plan No. 10 of 1953 which transfers responsibility for payment of air mail subsidies from the Post Office Dept. to the CAB.

Too late for any action in the session which adjourned last month, Rep. Carl Hinshaw (R., Calif.) introduced in the House a new bill (H.R. 6482) to provide government assistance to stimulate early production and testing or transport aircraft suitable for local (feeder) airline service. Under the bill, the government would lend up to 75% of the development cost of such a plane, with an \$8 million maximum to any one

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The U. S. Senate GOP Policy Committee staff has distributed to all Republican members of Congress an eight-page brief providing them with background material to Democratic critics who attempt to make a political issue of the Eisenhower administration's cuts in the Air Force budget.

At hearings before the House Ways and Means Committee in August, the Air Transport Association renewed its plea that the 15% excise tax on foreign transportation should be repealed. The President's motor tax rate message provides some chance for revision if not removal of some transportation excise taxes such as the one on transportation in the new session of the Congress.

State & Local

Nebraska's personal property tax on unimproved, undeveloped lands operating in the name was upheld in a decision of the Nebraska Supreme Court. The state's high tribunal dismissed a petition by Mid-Century Airlines (now merged into Braniff) against the State Board of Equalization, which had concluded that the tax violated the interstate commerce clause in the Federal constitution.

The profits of aircraft manufacturing companies are being taxed with increasing interest by county and state governments. The Los Angeles County Board of Equalization recently allowed 50 aircraft companies in the county who they are subject to about \$8,000,000 in taxes on an annual valuation of \$150 million on airplanes for use in the production of military airplanes. The companies claim the planes belong to the Federal government and therefore cannot be taxed by a local political subdivision. The county claims that only such work as has been paid for by the government belongs to the government, and the unimproved and unoccupied portion of the work on such planes can be taxed by county.

Since the tax will inevitably be added to the cost of the planes to the government, Pentagon officials have been studying legal steps aimed at blocking the imposition of such taxes by a county or state. The Justice Department's tax division also is studying a similar type statement that has been proposed by Wayne County (Dane) Wis., where many planes being aviation work are located.

The Massachusetts Legislature, taking cognizance of the amount of Federal-aid airport funds, passed a law permitting the state aeronautics commission, in addition to its previous authority to pay up to 25% of the cost of municipal airplane fields, where the Federal government would hold the cost, to pay up to 50% of the cost if the community is willing to pay the remainder. In addition, the new act, Chapter 524 of the Acts of 1953, authorizes the commission to establish and operate air navigational aids.

The New Jersey Legislature passed Assembly Bill No. 445, providing for several forms of airports, landing fields, landing strips and taxiway systems in the state, at costs of \$5.00, \$10.00, \$15.00, and \$20.00, respectively.

Although the Oklahoma state legislature failed to provide funds for the office of the Director of Aeronautics for the current fiscal year, the Oklahoma Aviation Commission has not been disbanded and its members, who receive no pay, will continue to hold regular meetings in new offices furnished them by the University of Oklahoma at Blue Watersham Field, Norman. Gov. Johnston Murray has designated Miss Jeannette Aron, a member of his staff and member of the Navy-Nine, to be stationed in the commission office at Norman to handle aeronautical matters pending immediate action.

manufacturer. Loans would be repayable in 10 years at 1% interest, but for each such airplane sold to a U.S. carrier the loan would be reduced 1/15th, so that the debt to the government would be written off if the manufacturer sold as many as 15 planes. A 12-month testing period of the prototype airplane would be authorized, with CAB to underwrite the costs. The House Commerce Committee, of which Hinshaw is a member, has promised early consideration of the bill at the next session.

The U.S. Senate GOP Policy Committee staff has distributed to all Republican members of Congress an eight-page brief providing them with ready-made answers to Democratic critics who attempt to make a political issue of the Eisenhower Administration's cuts in the Air Force budget.

At hearings before the House Ways and Means Committee in August, the Air Transport Association renewed its plea that the 15% excise tax on passenger transportation should be repealed. The President's movie tax veto message portends some chance for revision if not removal of some burdensome excise taxes such as the one on transportation in the next session of the Congress.

State & Local

Nebraska's personal property tax on commercial airline planes operating in the state was upheld in a decision of the Nebraska Supreme Court. The state's high tribunal dismissed a petition by Mid-Continent Airlines (new merged into Braniff) against the State Board of Equalization, which had contended that the tax violated the interstate commerce clause in the Federal constitution.

The profits of aircraft manufacturing companies are being eyed with increasing interest by county and state governments. The Los Angeles County Board of Equalization recently informed 60 aircraft companies in the county that they are subject to about \$8,000,000 in taxes on an assessed valuation of \$130 million on materials for use in the production of military airplanes. The companies claim that the planes belong to the Federal government and therefore cannot be taxed by a local political subdivision. The county claims that only such work as has been paid for by the government belongs to the government, and the unfinished and unpaid-for portion of the work on such planes can be taxed by county. Since the tax will inevitably be added to the cost of the planes to the government, Pentagon officials have been studying legal steps aimed at blocking the imposition of such taxes by a county or state. The Justice Department's tax division also is studying a similar type assessment that has been proposed by Wayne County (Detroit) Mich., where many plants doing aviation work are located.

The Massachusetts Legislature, taking cognizance of the shut-off of Federal-aid airport funds, passed a law permitting the state aeronautics commission, in addition to its previous authority to pay up to 25% of the cost of municipal airport work where the Federal government stands half the cost, to pay up to 50% if the community is willing to pay the remainder. In addition, the new act, Chapter 524 of the Acts of 1953, authorizes the commission to establish and maintain air navigational aids.

The New Jersey Legislature passed Assembly Bill No. 446, providing for annual licensing of airports, landing fields, landing strips and fixed-base operators in the state, at fees of \$5.00, \$3.00, \$1.00, and \$2.00,

respectively.

Although the Oklahoma state legislature failed to provide funds for the office of the Director of Aeronautics for the current fiscal year, the Oklahoma Aviation Commission has not been abolished and its members, who receive no pay, will continue to hold regular meetings in new offices furnished them by the University of Oklahoma at Mac Westheimer Field, Norman. Gov. Johnston Murray has designated Miss Imogene Arnot, a member of his staff and member of the Ninety-Nines, to be stationed in the commission offices at Norman to handle aeronautical matters needing immediate attention.

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