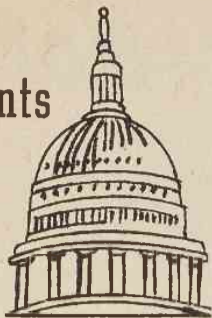


Capitol Comments

By
SHERL
FOLGER



Did you ever stop to think how much it costs to operate one of our DC-3's? One of the big direct costs is fuel and indirectly, taxes on that fuel.

Piedmont pays a federal tax of two cents per gallon on DC-3 fuel. F-27 fuel (kerosene) is not taxed at present by the federal government.

President Eisenhower requested Congress during the past session to increase the federal tax on gasoline, including jet fuel, from three to four and one-half cents per gallon. The increase was to help the federal highway program.

But Congress enacted a penny increase on gasoline only—bringing the total tax to four cents.

Refund Available

Piedmont pays the total tax and then applies for a two-cent-per-gallon refund. The refund is available because the airline is not a user of federal highways.

Informed sources think that, in subsequent sessions of Congress, the issue of taxation on jet fuel and higher user charges (which would reduce Piedmont's refund) will be given closer attention.

Agencies Have Trouble

The CAB and the newly established FAA had financial troubles during the last Congress.

In its first year as an independent agency, the FAA was in trouble with the House of Representatives on budget requests. There were severe cutbacks in appropriations. The Senate, however, restored substantial portions of the cuts.

Final figures were \$301,700,000 for expenses and \$135,200,000 for facilities. Since the expense fund was not substantial enough to put into operation all FAA facilities contracted for or installed, a subsequent bill allowed \$17 million to be transferred from the facility fund to the expense fund.

The Senate Appropriations Committee—for the first time—made extensive inquiries into the CAB request for funds. As a result, the CAB got only about half the amount requested for salary and expenses.

Request Criticized

The appropriations committee also criticized the request for about \$58½ million in subsidy requirements. The written report of the Senate Armed Service Committee admonished the CAB to better utilize personnel in critical work areas such as routes and rates.

Chairman Will Leave

The CAB is in a state of flux nowadays. Chairman Durfee will receive an appointment to the Federal Court of Appeals—though the interim appointment was not given.

CAB member Denny's term on the board expires December 31, and there have been rumors that Minetti will resign before his term expires in 1961. Minetti, however, has denied the rumors.

Louis Hector resigned his place on the board and submitted to President Eisenhower the most resounding set of criticisms leveled at the CAB in recent years.



WHEN SOUTHERN GOVERNORS ended a four-day conference at Asheville, two of them—Gov. Millard Tawes of Maryland and Gov. Cecil Underwood of West Virginia—needed air transportation. Piedmont representatives obliged. Gov. Tawes (left) boarding Piedmont for Washington gets a sending-off from Don Edmondson, dis-

trict sales manager, at the Tri Cities Airport. Gov. and Mrs. Cecil Underwood (right) are shown Piedmont schedules by Don Britt, assistant to the president. Gov. Underwood flew Piedmont to Louisville for a meeting. Mrs. Underwood returned to West Virginia in the Air National Guard plane shown in the background.

PI PIX: Southern Governors Fly Piedmont



FAMED ACTOR Vincent Price takes a "devil-may-care" attitude on the pouring rain and pauses, while boarding Piedmont out of Lexington, for a photograph. Mr. Price was in Lexington for a speaking engagement and left en route for Chicago.



**Vincent Price Poses
With Piedmont Plane**



**Tobacco Queen Takes
DC-3 In Tobacco Land**



GLORIA PENNY, National Tobacco Queen from Mullins, S. C., waves goodbye to Charlotte folks after stopping en route to a Wilmington charity show. The orchid on her shoulder got there by Station Manager Johnnie Newell, who presented it in behalf of Piedmont.