

Withholding, Again

The pressures for establishment of the withholding principle in collection of state income taxes again are being brought to bear. Arguments for it range from added revenues to be collected from earners who leave the state before tax filing time, to the fact that instant collection gives the state an immediate source of funds.

This latter argument was stressed recently by a Southern California member of the State Board of Equalization, Richard Nevins. Speaking on his own, Mr. Nevins estimated that a withholding tax would increase income levies by some \$50 million annually. Even more important, he indicated, was the fact that such a levy would tax California's growing incomes at the time they were earned, instead of anywhere up to 15 months later. The tax would be in the treasury, he said, when public expenditures are made to satisfy the needs of the wage earner.

Pay as you go is an admirable plan, if not always practical, way of conducting business, be it personal or public. But the thought occurs: If Mr. Nevins' "immediacy" argument for a state income tax withholding provision is valid, isn't it also something of an argument against bond issues? They provide money now "to satisfy the needs of the wage earner" and others, but payment by the people is deferred not just 15 months but 15 years and many more.

Californians will want to hear a great deal more of the pros and cons of withholding before they approve or support any move in that direction.

Ads Help Cut Costs

Most people generally understand that the advertising dollar, while added to the cost of the things they buy, still helps to keep the total cost down by creating a larger demand and therefore more efficient production. It is a little more difficult for some to understand why dollars used in paying utility bills should in part go into advertising the wares of an industry that enjoys a regulated monopoly.

In answering a letter from such a person recently, McCall's magazine pointed out that just as in other fields, utility advertising is designed to create more sales of appliances and therefore to create more use of power. And just as in other businesses, such increased sales make possible the maintenance of lower price levels for consumers. As proof, McCall's pointed out that since 1900 the per kilowatt-hour cost of electricity has dropped from 17 cents to 2 cents, to a large extent because of increased sales of electricity.

As we've always said, it pays to advertise.

Opinions of Others

"There are people who care about a free and strong America . . . We met a man the other night who was dressed in his reserve officer's uniform, coming from a weekly training session. In the course of conversation we asked what he did about his annual two weeks tour of active duty. 'Oh, I take that during my vacation time . . . I couldn't ask the boys at the office to do my work for a whole month.' These men didn't consider themselves heroes. But as long as we have enough of such men, America will survive."—St. Albans (Vt.) Messenger.

"In any crisis, the people of America stand shoulder-to-shoulder, and if the population keeps on increasing they'll be standing that way all the time."—Findlay (Ohio) Republican Courier.

It is no wonder that students are becoming increasingly contemptuous of authority because they have examples at the highest level of government of dishonesty and immorality.—Humboldt (Iowa) Independent.

It is to be hoped that no one ever requests an opinion on the Ten Commandments from the U. S. Supreme Court.—Aztec (N.M.) Independent.

This writer wishes he could write some pungent intelligent material about the problem of the races. To hear the politicians and the theorists talk, all that is required is "equalization" by legislation. But there is no equality—nor has there ever been—even for those in the same predominant race of the country. So long as there are human beings, there will be competition for the limited positions at the top, and there will be various routes whereby certain persons may achieve them. In the race, many, many will suffer disappointment and readjustments will have to be made. Only the virtues in human relationships can ease these matters and they are here with us to be practiced now as in the future.—Myrtle Creek (Ore.) Mail.

The 1965 model cars reveal a swing to disk brakes, but no swing toward buying for cash.—Waltham (Mass.) News Tribune.

That there is to be no way for government debt to go but upward seems to be fast becoming a proven maxim in this country today. The man on the street has grown accustomed to a steady increase in the federal and state government debts.—Delavan (Wisc.) Enterprise.



HERE AND THERE by Royce Brier

Federal Grants Not Free Money, Despite Delusion

Every day you read in the paper where some city, county or state has saved a bundle of money by discovering Federal funds are available for some needed facility or service.

In a small newspaper the supervisor of a small county will crow: "We can go ahead on the old people's home! (or road, as the case may be). We find we qualify for \$135,000 in government funds."

The taxpayers then cheer their thrifty supervisors for saving them \$2 in next year's tax bill. The local editor writes an editorial headed, "Let's Get Off the Dime!" congratulating the supervisors for perspicacity or luck, or something. Or maybe it's a mayor or governor who is a hero.

For there is a curious delusion abroad that when you can snare some Federal money, you are that much

to the good. It's like finding a five dollar bill in the gutter.

True, this delusion fades somewhat around the ever-recurring April 15, but hell, that's mostly for missiles and spaceships, isn't it?

Federal grants in aid to states are a pretty old practice, but they used to be sporadic, the result of horse-trades in Congress. They were systematized during the depression, and now they are automatic, dealing with multifarious welfare needs, or construction presumed to advance the national welfare.

But these grants, which run about \$10 billion yearly, have strings. The Government sets the terms, and then supervises the expenditures by states and subdivisions.

An advantage of this was that the Washington reporters could, with some hard work, tell you where your

money was going, that is, the April 15 money.

In a recent economic study for the President, W. W. Heller, chairman, came up with the idea of sharing Federal income taxes with the States—no strings. One figure given was \$2.5 billion annually.

But shucks, you know very well the States would not be satisfied, and the beavers would pitch in to make it \$5 billion, then \$7.5 billion, and so on. This is in fact a pernicious fiscal concept. It flies in the face of the whole theory of Federal taxation, further attenuates the already thin knowledge of where your money goes, and perpetuates the silly notion that Federal money is something for nothing.

Recently President Johnson said he would not present the plan to the new Congress. It probably kills it for 1965, but not necessarily for 1966, so keep watching.

BOOKS by William Hogan

'Scientific American' Is Worth a Pulitzer Prize

In contemplating the literary and perhaps publishing accomplishments of the year, I find myself impressed strongly by the continued excellence of Scientific American magazine. Here is the new literature of science presented in a most intelligible, literate and exciting form. Here writers of the scientific avant garde say at their leisure what they cannot say, or communicate, in brief interviews. The notable articles in the history of the new Scientific American—since Publisher Gerard Piel and company rejuvenated it in 1948—are too numerous to catalogue in this brief space. The magazine has become a forum of contemporary ideas that reaches beyond its 400,000 or so subscribers in that much of its material is "covered" by the daily press.

Not being a member of the scientific community, I come to much of Scientific American late. But a feature in a recent issue (of

which we have read much in the daily press) is designed as much for the layman, or average citizen, as it is for the scientific elite. It is typical of the publication's thoughtful, responsible and frequently brilliant editorial enterprise.

"National Security and the Nuclear-Test Ban" is an article by Jerome B. Wiesner and Herbert F. York, both eminent figures in nuclear research and both science advisors to Presidents Eisenhower and Kennedy. This was a journalistic beat in the highest tradition and contributes to public understanding of the gravest of all contemporary issues.

Basically, the article presented reasons why further nuclear tests are unnecessary and why there can be no technical solution to the problems of national security—the hope being to replace this military competition by growing confidence and increasing cooperation in working out an

agreed system of collective security.

News media throughout the country picked up the magazine's beat. It was typical of the thought-provoking material that appears in a journal that is not only a reflection of technological marvels, but is studded with analyses of key issues of our time.

Gerard Piel has won UNESCO's Kalinga prize for science communication to the public; formal recognition of the magazine as an institution is also certainly due. Pulitzer Prizes in journalism include a category for "disinterested and meritorious service . . . by a newspaper." Those who argue that a magazine is not a newspaper may be just quibbling about the thickness of the paper. In any case, The Trustees of Columbia University, who administer the Pulitzer Prizes, conceivably could consider a special citation in 1965 in recognition of an important journalistic performance that is unique in this revolutionary age.

For Scientific American represents a new international literature—disciplined, realistic and uncompromising—that reflects this part of our culture and our century. Its continuing achievement should be formally recognized. A Pulitzer Prize in some category of letters would seem to be a reasonable salute.

We Quote . . .

"Guaranteeing every family \$3,000 annual income is not war on poverty but war on initiative, inventiveness, ingenuity, and self-respect."—Mrs. Alan Buford Cox, Los Angeles.

A woman competing in a man's world has to try to be twice as good and give twice as much service to come out even.—Doris Campas, San Francisco stockbroker.

AFTER HOURS by John Morley

Freedom Vulnerable in Modern, Changing World

BOCA RATON, FLORIDA—We're here near Miami to address the Southwest Ice Cream Manufacturers' Convention, one of the favorites on our convention tour each year, because we have been appointed as honorary taster of this delicious product of the dairyman's art.

With each participation in this convention, the quality, texture, taste, color, smoothness of ice cream is continuously improved. It is universally conceded that U.S. ice cream is by far the best produced anywhere in the world.

This consistent periodic step-up of quality of many products is evident in every industrial and scientific convention we attend. Improvement of food products, mechanical and electrical gadgetry, machines, etc., all are geared to make life more enjoyable. But also it is driving man into a new world of change where desires and values are in a constant state of flux.

Many of our conventional habits and desires from Main Street to Park Avenue are caught in an extraordinary whirlpool of human desire for what is new . . . and now in the new year of 1965.

This material revolution is influencing a kind of mental revolution in modern man. It is changing our thinking, habits, values, decisions, and economic standards.

It's more of an inflation within man . . . than with money.

Progress in the new material world of today brings with it both good and bad effects on our society as a whole. Both the hazards and rewards are pyramided with each improvement and increase of pace, from the food we eat, to the car we drive, to the jet we fly.

Under such explosive material forces we can no longer live in the past, or use the tools of the past, or think in terms of the past.

The quality ice cream, foods, toasters, color TVs, and the race to the moon, have turned yesterday's world into a fairy tale. For the old fairy tale to Venus is almost a reality.

Whether we like it or not, the slower-paced world that was . . . must be changed to the limitless and exciting world that is.

Man is forced to think in different terms to survive. He cannot react the same, for things all around him are not the same.

Speed on the outside speeds up the heart and the adrenalin on the inside. We cannot think as we did yesterday, if we don't want to be left behind in yesterday's world.

It appears to us essential that we live in the present, endure or enjoy the present, learn from the present and adjust to the future with present realities. This applies whether it's investing money or investing in peace of mind. We either get in the swim or slowly drown.

The challenge of an industrial and scientific revolution is the ability of man to salvage ethics and principles upon which the whole fiber of a free society depends.

One of these principles is that there is still no such thing as "something for nothing." In the old oxen world, as well as today's jet world, somebody has to pay the bill. Somebody has to work. Or somebody has to rob a bank or the other fellow's pocket to live.

Government can rob Peter to pay Paul only for so long . . . until Peter gets wise to the act and stops working himself and gives notice to the bureaucrats that the sucker game is at an end. And then comes socialism.

Political expediency has encouraged strange economics whereby more and more persons are looking for a slice of the other fellow's pie. The threat of automation is but a marginal symptom of economic imbalance, compared to the ever-increasing dependence on government handouts and ultimate destruction of individual freedom.

To have freedom is to exercise it and pay for it. Each

of us is a link in the already strained chains of freedom. Each link must remain strong if freedom is to remain strong. When bureaucracy takes over, it takes man and machines over. Free choice is transferred to their choice . . . for individual initiative was transferred to government initiative.

Any politician who says that government can guarantee economic security is a fraud. No one can guarantee security in this brave new world either. Not even the U.S. Treasury or the Bank of America.

In a jet-powered world, as all previous worlds, the best security is that which the individual plans for himself

with the tools nature has endowed. Not somebody else's tools. Not government tools. No two humans are alike and no two humans act alike or work alike. Government cannot improve anyone's standard of living permanently; it can only help to create the climate or a better opportunity for free men and free enterprise to function.

Change is inevitable and often desirable. Change challenges our imagination and stimulates the spirit of our people. So long as principle prevails over the gadgetry and sophistication. For principle is the distinguishing trademark of a free society and the endowed heritage of the American dream.

Our Man Hoppe It's That Live Alligator Bit

—By Arthur Hoppe

After several days thinking it over the Russians have announced they are "alarmed" by Mr. Johnson's speech on the State of our Union. Obviously what alarms them is Mr. Johnson's proposal they appear on American television. It's enough to alarm anybody.

Oh, I doubt they were alarmed at first. It probably sounded like a good thing. "Heh, heh," they said, rubbing their hands, "what a rare opportunity to poison the minds of those stupid Americans with our insidious ideology, heh, heh." That being, of course, the way Russians always talk.

But that was before they gave much thought on how to go about it. I assume they called in one of their ace American television experts—perhaps Mr. Batten B. Burton-Barton—to help them lay their nefarious plans.

MR. KOSYGIN: Come in, Comrade Burton-Barton. We were just discussing our rare opportunity to poison the minds of those stupid Americans. Heh, heh. I plan to lead off with a 90-minute speech on the glories of nitrogenous fertilizers in Soviet rutabaga production, followed by Comrade Brezhnev's rousing address on statistical components of hydroelectric development in a socialized society.

MR. BURTON-BARTON: You're wasting your time, Chief. You got to compete for your audience with Lassie, Bonanza and the Beverly Hillbillies. It's a cut-throat . . . Say, what about monsters?

MR. BREZHNEV: Monsters? MR. BURTON-BARTON: Right. Monsters are big this season. The Addams Family, The Munsters—top ratings. With your dark looks, Brez, you're a natural. Just let me measure you up for a pair of fangs.

MR. BREZHNEV (shuddering): No fangs! MR. BURTON-BARTON: Yeah, I see what you mean. Well, there's always a panel show—safe, traditional. We'll call it, "What's My Line?" You're sitting there with blindfolds on, see? And this voice says: "Will our mystery guest sign in, please!" We shift to a closeup of the pudgy hand writing on a blackboard: "N-k-k-i-t . . ."

MR. KOSYGIN (shuddering): No blindfolds! We wish to talk.

MR. BURTON-BARTON: Oh, a talk show. Sure, they've got talk shows on American teevee. After 11 p.m. The way we do it, see, is Brez comes out, makes a few jokes to the audience and then he can say something serious like: "Honest, folks, I don't know why, but I've always had this kind of thing about Communism. I kid you not." At that point, Dossy, who's sitting on a couch over to one side with his elbows on his knees, nods real somberly and says, "Me' too, Brez." Then you tell a couple of risqué gags to wake 'em up.

MR. KOSYGIN: That's all there is to a talk show? MR. BURTON-BARTON: Oh, no. After the third deodorant commercial, Mikoyan can come out and wrestle a live alligator. And then . . .

So you can see why the Russians are alarmed. For as we all know, the only goal of these ruthless evildoers in the Kremlin (heh, heh) is to turn us virile, red-blooded Americans into mindless, brain-washed robots. And when it comes to our television programs, I say proudly, they just can't compare.

Morning Report:

Freedom of the press is hard to appreciate. A reporter does after a heavy door has been closed on his foot a couple of times or he has been tossed out of a meeting of his betters. Beters like the lawyers of the Philadelphia Bar Association who voted the other day to cut off reporters from access to crime news.

Lawyers all over often argue that free newspapers prevent a fair trial. But have a hard time finding a case in point. But the law books are splattered with cases where justice went awry because lawyers goofed or were overly slick.

In fact, many a lawyer would be offended if we called him a "criminal attorney," and to call him a "Philadelphia lawyer" is probably out-and-out libel.

Abe Mellinkoff