Try and Stop Me

By BENNETT CERF

FOR MANY YEARS, sessions of the Dutch Treat Club in New York were enlivened by the sallies of the perennial chairman, Clarence Budington Kelland. At one luncheon he remarked, "I know that the duty of a master of ceremonies is to be so confoundedly dull that the speakers he subsequently introduces will be dazzlingly brilliant by contrast." The speakers of the day chuckled heartily.

"I've looked over the list of our speakers for today, however," he continued sadly, "and I don't think I can do it."

The audience roared. The speakers did not.

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There is a fable about a very wise old man who was visited by a delegation of malcontents determined to tell him their troubles.

Suggested the wise man, "Write down your greatest trouble on a piece of paper." He then threw all the papers into a pot and said, "Now each of you draw a paper and by all the laws of probability you will have brand-new troubles to fret over."

The malcontents followed his suggestion. Then they read the new troubles they had been saddled with. The result: every single one of them clamored immediately to have their own trouble back!

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The first bookkeepers in history? Adam and Eve, of course. They invented the loose-leaf system.

Your Money's Worth

By SYLVIA PORTER

CRACKED CRYSTAL BALLS

We're now into the days when economists the nation over gaze long and hard into their crystal balls to get guidance on their 1963 predictions. The "standard forecast" which already has emerged is for a continuingly modest rise through the early months of the new year, not sufficient to take up the slack in employment or production, but no serious downturn either.

Could be right, could be not. How the economy actually will perform will depend on many forces—ranging from congressional action or non-action on tax reduction to easing or worsening of world crisis. At this stage, the most one can make on taxes, world crisis and a lot of other fundamentals is an informed guess.

If ever there has been a year in which the economists' crystal balls have been shattered, it has been 1962. The noise of the cracking balls in Washington, Wall Street, the industrial cities of our nation has been thunderous month after month.

First to crack were Washington's crystal balls. Even as the White House's experts were still uttering their glitteringly optimistic forecasts for 1962, the economy was slowing down.

Why did Washington's forecasts go so wrong? A highly important answer here is that the optimistic projections were based on the premise that U. S. businessmen would step up their spending on inventories and new plants in this expansion of the 1960s the way they accelerated their spending in the expansions of the 1950s.

This premise turned out to be false. Instead of stocking up heavily on inventories in the expectation that customers would be waiting in line to buy, businessmen this time have adopted exceedingly cozy inventor policies. The new computers are helping them to maintain much stricter control over inventories. Their awareness of surpluses and their eagerness to hold down costs also have been factors. Instead of rushing to build modern plants in anticipation of big demands for their production, this time businessmen have waited for the demands to appear and have only moderately increased their spending on new factories. At the heart of this year's sluggish rise has been the disappointingly small increase in business spending.

Second to crack were Wall Street's crystal balls. Not even the most pessimistic stock market professional predicted the market crash of May 1962.

Why did Wall Street's forecasts go wrong? A key answer here is that while many investors recognized that stock prices had soared far out of line with corporation earnings and they had backed away from buying, they didn't expect others would act similarly. They forgot how selling feeds on selling, underestimated the attraction of simple savings accounts and bonds in comparsion with low-yielding stocks, didn't realize the extent to which gamblers had weakened the market's foundation. Then came the steel price crisis in April—which no one could have predicted—the severe blow to business confidence, and the groundwork was laid for the panic of May 28.

Third to crack were the crystal balls of business economists who concluded that the sluggish economy and the crash of stock prices would lead us into recession by 1963.

Why have these business forecasts gone wrong? A factor here surely has been our successful showdown over Cuba in late October, for this has significantly buoyed sentiment and has helped send the stock market sharply upward. Who could have forecast the stand President Kennedy would take after proof of Russia's military buildup in Cuba, the retreat of Khrushchev?

Forecasts on business in 1963 must be made. The White House couldn't even submit a budget without projecting profits and paychecks and the taxes to be paid on these. A manufacturer couldn't even begin to plan production without estimating his probable sales.

Thus, the annual economic forecasting season arrives on schedule—and this year "standard" for the forecasts is restraint in both optimism and pessimism.

Could be, could be not. After gazing back on 1962's unforeseeables and peering ahead into 1963's unknowns, I'd suggest that the crystal ball industry go into all-out production—just in case it's another year of shattered glass.

Tax Returns To Be Processed By Use of Numbers on Report

Washington —(UPI)— The government is getting ready to process tax returns by the numbers using an electronic system calculated to add a scary new dimension to the tax dodger's nightmare.

The Internal Revenue service reports that the mere thought of it has caused $300,000 to roll into the treasury from reluctant taxpayers.

The money came from persons who received letters from the IRS describing how the new system would work. The checks ranged from $5 to $6,000. In most cases, they were accompanied with letters explaining that further reflection had resulted in the taxpayer deciding that last year he had left something out.

Under the new system, each taxpayer—corporate and individual—will receive a number which he will place on his return. Individual taxpayers will use their social security numbers. If they don't have one, they will be asked to apply for a number. Corporate taxpayers will be assigned a special number by the IRS.

IRS reports from corporations, savings and loan associations, trust funds and other business institutions will show how much income was paid to each tax account number.

The plan is to run both the income-reported and the income - paid records through giant electronic computers. If a taxpayer's account doesn't balance out, he receives a letter from the IRS.

Reducing the taxpayer to a numerical entity is the only way the IRS could make this comparison. For one thing, it permits the job to be done electronically.

Also, it would be impossible to reach the same degree of efficiency by using names and addresses. Too many taxpayers have the same or similar names, and addresses are always changing.

Authorized by Congress

The new numbering system was authorized in a law passed by congress last year. It is intended to catch some of the estimated $5 billion in unreported tax revenue that slips through the net annually.

Assembling the numbers for the nation's 60 million taxpayers is a massive job, but the IRS feels it got off to a flying start. Most individual taxpayers over the years have been filling in their numbers on the tax return.

The IRS found out that only about two million taxpayers left out their social security numbers last year. It sent out letters, and 90 per cent replied.

Getting the numbers for the income-reported phase of the operation was comparatively easy. But collecting the social security numbers to show income paid is another matter.

This is a responsibility that falls in the laps of corporations, savings and loan associations, mutual funds and other business institutions which pay out money to employes or stockholders.

Many corporations are faced with the gigantic task of writing to millions of stockholders asking them for their social security numbers. This is so the corporation can report—by the number—to the IRS the amount pair each stockholder.

Some corporations have attacked the problem by printing a little blank on dividend checks where the taxpayer is requested to write in his social security number.

To Cause Rumblings

This number collecting campaign is sure to cause some rumblings among the taxpaying public. Take the case of a person who holds shares in five corporations, pays in to three savings and loan associations and has two savings accounts.

He will be requested by all 10 institutions to fill in the form reporting his social security number to them.

The IRS plans to begin using its numbers system early next year to process individual returns from seven southeastern states. It hopes to have the plan operating on a nationwide basis by the end of 1966.

The law allows a $5 penalty against each taxpayer who refuses to provide his number, but the IRS has indicated this part of the statute will be interpreted liberally this year.

IRS officials also make it clear that they will not hold business concerns liable if they fail to get their employes or shrareholders social security numbers – provided they give it a good try.

"If they make that one honest effort and can't get to the guy," one IRS official said, "then it's up to us. We have to get it."

Satellite Corporation Stock To Be Available

Washington — (UPI) — The Federal Communications commission said Monday it would start accepting applications Jan. 2 from communications companies which want to purchase stock in the satellite corporation.

The FCC said, however, that stock in the satellite corporation would not be available for purchase either by the communications common carriers or the general public until incorporation steps were completed.