

Herald and News

Editorial Page

Good, Hard Work

The personal stock-taking that is supposed to accompany the average American's plunge into a new year might well include the question:

Is the individual's capacity—or willingness—to do hard work, even to endure hardship if necessary in performance of duty, diminishing in this country?

As to the matter of capacity to endure hardship, Albert Biderman of the Bureau of Social Science Research, Washington, says the evidence indicates the ordinary American has plenty of it.

In a paper given before the American Association for the Advancement of Science at a Philadelphia meeting, Biderman said United States prisoners' behavior in the Korean war offers proof.

Despite highly publicized instances of American captives succumbing to suffering and to the pressures of their captors, most United States soldiers, said Biderman, showed a great ability to take it. The wonder may be that so many survived.

Any one of us can perhaps find ample evidence, too, that hard work has not exactly gone out of fashion in the United States.

Dedicated workers abound in our space and defense efforts, in many less spectacular channels of government, in professions like the law and journalism and medicine, in industry, on the farms. The 18-hour day is still a reality in many places.

Yet there are in our life today many, many manifestations of a vastly different attitude toward work and hardship.

As scientific progress has steadily freed us from the back-breaking physical labors

once necessary for the barest existence, more and more of us seem to have seized upon this liberation as a kind of permanent pass through life.

Thus some Americans have moved from the excessive ease granted by parental indulgence to snap courses in school, to soft jobs stressing security but not challenge and responsibility.

Crime has many causes—some of them different in different periods of history. Yet one enduring cause is the desire of some to gain the fruits of labor without working. With our great material abundance providing more "fruits" than ever, this particular soft approach appeals to increasing numbers.

What many of the nonworkers seem to want is not only the material benefit but the status that, in this country, goes with having things.

The new commissioner of United States education, Francis Keppel, aimed a shaft at such people when a newsman asked him whether teachers in America deserved a higher status. He replied:

"I hold to the old-fashioned view that status should be earned."

Such a comment ought to touch a delicate nerve among Americans who think it can be bought, or stolen, or faked, or achieved by a variety of other shortcuts.

Generally speaking, we Americans no longer need to labor in the salt mines to gain the necessities. But we will be on the downhill road if really large numbers of us should ever conclude that status need not be earned, that men can live well without goals of achievement which require hard, testing, challenging work.

By PETER EDSON Washington Correspondent Newspaper Enterprise Assn. WASHINGTON (NEA) — President Kennedy's belief that tax cuts now will mean "tens of billions of dollars more each year in production, profits, wages and public revenues," is based on what happened after the last big tax reduction in 1954.

That was a \$7.4 billion cut. Five billion dollars of it came from expiration of Korean War taxes. It repealed excess profits and some excise taxes. It introduced a 10 per cent cut in individual income taxes right across the board. It also adjusted depreciation credits and introduced dividend credits benefiting business \$2.4 billion a year. With individual income tax receipts reported at \$30 billion for fiscal 1953, the 10 per cent tax cut was \$3 billion.

Total tax receipts of \$64.7 billion in fiscal 1953 dropped a little to \$64.4 in 1954, the year the cut was made. This was followed by a sharp drop to \$50.2 billion in 1955, but that was caused by the post-Korean War recession from July 1953 to May 1954.

There was a rapid build-up after that. Gross national product of \$365 billion in 1953 dropped \$2 billion in the 1954 recession, but rose to \$397 billion in 1955 and \$419 billion in 1956—a 15 per cent rise for the two years. Tax receipts for 1956 rose to \$67.9 billion.

Corporate profits, which were \$38 billion in 1953 and dropped to \$34 billion during the 1954 recession, rose by nearly \$11 billion to \$44.9 billion in 1955.

The unemployment rate, 5.6 per cent, or 3.6 million out of a labor force of 54.5 million in 1954, dropped to a rate of 4.2 per

cent, or 3.8 million out of a labor force of 67.5 million in 1956. The only two postwar years that the United States has had relatively full employment were 1955 and 1956.

Whether the 1954 tax cut can be given credit for all of this is questionable, for the good effects didn't last. There was a further

recession in 1958-59 and a further setback, or at least slow growth, beginning in 1960 and continuing even now.

The Kennedy administration bases its present case on the theory that a tax cut now is what's needed to boost the economy. A tax cut is expected to have a much greater impact now than

in 1954, because of economic growth in the last 10 years. Gross national product of \$554 billion for 1962 is 65 per cent higher than in 1953. Personal income tax payments of \$45.7 billion in 1962 are 50 per cent higher than in 1953.

So the equivalent of a 10 per cent tax cut now would mean that

\$4.5 to \$5 billion more would be made available for consumer spending during the first year the cut is in full effect.

There is, of course, a delayed reaction to any shot in the arm the economy receives from a tax cut. Tax experts figure that 93 per cent of consumer income after taxes is spent, 7 per cent going into savings. But experience shows that even where there is a sharp rise in purchasing power, there's always a lag in actual spending. The length of the lag cannot be predicted.

It may take half a year or more after the tax cut is in effect before spending habits change measurably. This makes it difficult to predict when there will be business expansion to take care of the expected increase in demand. Businesses that figure they will get a certain per cent of the increased spending power generated by a tax cut may start to build up inventories fairly soon, but expanding plant capacity to meet the demand is even trickier for businessmen to figure.

An industry now operating at 80 per cent of capacity won't expand immediately. If now operating at high rate, an industry might expand plant capacity more rapidly.

President Kennedy's plan for making the tax cuts apply gradually over a three-year period is intended to limit the impact on the federal budget. If a first-year \$6 billion tax reduction out of a total \$10 billion planned tax cut is approved by Congress, that will be to stimulate business.

The increased tax receipts from this new business are then expected "to pay for" the remaining \$4 billion in tax cuts, without increasing budget deficits after the first year.



Table with 5 columns: Income, Present Tax, Proposed Tax, Dollar Reduction, Percentage Reduction. Rows for Single Person and Joint Return with No Dependents and Joint Return with Two Dependents.

Treasury Department table, above, gives income in all cases as annual income before exemptions and deductions. All cases presume a standard deduction.



IN WASHINGTON... War Against Congress

By RALPH de TOLEDANO To hear the talk on the New Frontier, Congress is the town drunk, bully, and gunfighter all rolled into one. Every policy goal since January, 1961 is blamed on the men and women who inhabit the offices on Capitol Hill. The failure of unemployment to respond to the "cures" concocted by the White House economic pill-rollers? Congress is at fault. Refusal of the voters to buy a medicare program which can wreck Social Security? You guessed it, Congress again.

Consider the case of Senator Richard Russell. As chairman of the Senate Armed Services Committee, he can boast—though he never does—of a greater and more detailed knowledge of America's military and defense problems than any other civilian today. He is highly respected by the Joint Chiefs of Staff and by career Defense Establishment officials. But he disagrees with Defense Secretary Robert McNamara, "Big Bob" to the Pentagon people now trying to give him a jovial image.

It is argued that the literacy test is used to prevent Negroes from voting in the South. But there are already Federal powers to compel a state to apply its electoral laws without regard to race. Abolition of literacy laws, however, will give us a Congress far more subject to the kind of pressures which the President can always inspire among the uninformed.



STRICTLY PERSONAL

By SYDNEY J. HARRIS We divide the world along the grain of our infirmities. Whatever it is that we feel we most lack, or need, becomes the boundary line between Us Here and Those Out There.

When is a nation most "united"? When under attack. The American Revolution united the colonists as peace never could; the Civil War solidified the peoples of the North and South; Nazism gave the British people a sense of solidarity and unanimity not seen since then.

Don't Be A Carrier

(The Los Angeles Times) Last week, in the southern area of the city, a 2-year-old baby came down with polio, and is still desperately ill. Anyone who reads this possibly could be to blame. Because any of us could have given polio to that baby. Polio can be eradicated completely. Medical science today has the know-how to eliminate it. It only requires that people individually co-operate in the Sabin oral vaccine immunization program. If a majority of the people in Los Angeles County obtain the Sabin polio dosages, polio will not recur here in our generation.

drive of every family in the county. It won't take five minutes to register and receive the vaccine. And it's five minutes back home. Surely any family can take 15 minutes to make sure that no one in the family group will ever be horribly crippled by polio. Even more important, the Sabin vaccine makes certain that anyone who takes it is not a "carrier" of polio. Many people are, without knowing it. Sabin vaccine is given by mouth, on a cube of sugar or in a sip of syrup. No needle is used. The dosage is free, although a 25-cent donation is accepted to help cover costs of the serum. Reflect on this: that 2-year-old baby who came down with polio last week probably got it from a carrier. It could have been anybody who did not take his Sabin vaccine. Anyone who neglected this precaution could have been responsible. Isn't that reason enough for taking 15 minutes to go to the nearest clinic today for a free, painless immunization against polio?

THESE DAYS... Everybody A Winner Here

By JOHN CHAMBERLAIN Once there were three of them. Their names were Joseph Scanlon, Clinton Golden and Harold Ruttenberg, and they formed a yeasty and somewhat dissident element in the high councils of the United Steel Workers of America. Around Pittsburgh they were known as the productivity boys, the ones who wanted the members of the steel union to cooperate with employers in working out amicable cost-cutting programs as the basis for earning higher hourly wages. For years the Three Musketeers of Productivity preached their gospel of "efficiency sharing." For years they tried to mitigate the harshness of class war feeling when the union was squaring off to make its demands on management. They wanted labor to help make steel companies so profitable that there would be money to share between workers and stockholders without raising the tonnage price of steel to the consumer.

had succeeded Philip Murray as president of the United Steelworkers of America, was not entirely pleased when he learned about Ruttenberg's new activity. Around Pittsburgh he has been quoted as saying that Ruttenberg was trying to humiliate him, and that Ruttenberg's new advisory company should be called, not Humanation, Inc., but "Humiliation, Inc." But in the Pittsburgh area steel fabricating companies, unable to pay high union wages, kept going out of business. And membership in the United Steelworkers of America kept shrinking. The facts of life were going against David McDonald.

Sour Note



By United Press International Today is Tuesday, Jan. 22, the 22nd day of 1963 with 343 to follow. The moon is approaching its new phase. The morning stars are Venus and Mars. The evening stars are Mars, Jupiter and Saturn. Those born on this day include the English romantic poet, Lord Byron in 1788. On this day in history: In 1789, the first American novel was published in Boston, written by Sarah Morton and called "The Power of Sympathy." In 1901, Queen Victoria of England died, ending the longest reign of any sovereign over a civilized nation. In 1917, President Woodrow Wilson — seeking a quick end to World War I—asked for "a peace without victory." In 1932, President Herbert Hoover enacted into law a measure establishing the Reconstruction Finance Corporation. A thought for the day—the late President Woodrow Wilson once said: "There is such a thing as a man being too proud to fight."

THEY SAY... The best antidote for nervous tension and intellectual interpenetration is physical fatigue. —Heart specialist Dr. Paul Dudley White. So long as Communist policy is double-faced our response must be double-handed. —Lord Home, British foreign secretary. People who watch such shows as Ben Casey and Dr. Kildare can be difficult patients on occasion. They learn a little bit about rare diseases... and they think they know a great deal. —Dr. Peter Mott, of New York's Bellevue Medical Center. Religion is strong in America, but a good deal of it is a kind of rather vague religious sentiment. —Arthur Michael Ramsey, Archbishop of Canterbury, after three-week visit. I refuse to answer the question on the grounds that the answer might tend to incriminate, degrade and get me killed. —Daniel Cohen, reluctant witness in a New York robbery trial. I told Mr. Khrushchev that I didn't intend to talk to him about music, so we discussed the cotton industry in Tashkent. —Composer Igor Stravinsky, visiting Russia for the first time in 38 years.