

Herald and News

Editorial Page

Foreign Aid's Annual Battle

Congress has welded the ax so often on the foreign aid budget that the Agency for International Development is extremely defensive in arguing for a 1964 fiscal year program that actually calculates slightly smaller outlays.

Anticipating the usual congressional assaults, AID officials have mustered perhaps an unprecedented array of selling points. Yet the view of seasoned observers is that these will not avail, and Congress will repeat its now customary performance—cutting upwards of \$1 billion from the program as it did last year.

President Kennedy himself contributes, of course, to AID's new persuasions by asserting in his budget message that foreign assistance expenditures for fiscal 1964 are estimated at \$3.75 billion—\$100 million less than the current fiscal year.

The President stresses, too, that the money will be used very selectively, favoring projects "crucial to the rapid development of countries . . . important to the maintenance of free world security, and which demonstrate willingness and ability to marshal their own resources effectively."

Frank M. Coffin, deputy AID administrator, making the agency's case, bombards Congress with these arguments.

The foreign assistance budget request (not the same thing as expected expenditures) is down \$13.5 million from last year and is a smaller part of the total federal budget.

Foreign aid programs today constitute three-fourths of 1 per cent of the U.S. gross national product, whereas in the 1949-52 period they represented one and a half per cent. The average cost of aid programs in the

1962-64 span is figured at slightly less than the 1949-52 average. Yet that roughly parallel sum came in the earlier period from a \$305-billion average annual GNP. Today it comes from an estimated average \$575-billion GNP.

Economic aid puts mounting stress on loans rather than grants. Last year Kennedy asked that loans make up 51 per cent of the economic total, and Congress upped the ratio to 54. This time he wants the aid divided 59 per cent for loans, 39 per cent for grants.

Finally, the point is made that aside from the Alliance for Progress, under which more money is sought this time for Latin America, the U.S. economic aid program for the world comes to \$1.5 billion of the requested total of \$4.9 billion in foreign assistance. Much of the rest, of course, is military assistance or support for military effort.

Coffin says the Defense Department uses \$1.5 billion in 11 days.

There seems little chance, however, that tough congressional foes of foreign aid will buy these finely spun statistical arguments. They are usually impressed more by hard-to-eradicate evidences of waste, mismanagement and confusion in the program.

They tend to favor military aid. The new budget has relatively more economic aid in it. And the estimated saving in expenditures would come from reduced military aid.

Furthermore, lawmakers may get some new critical fuel almost at the moment the specific AID budget comes to them around March 1. For that is the target date for a report from Gen. Lucius D. Clay's commission—named by the President to take a hard look at foreign aid.

THESE DAYS . . .

Washington Mathematics

By JOHN CHAMBERLAIN

They are teaching something called the "new arithmetic" in the schools. The new arithmetic begins by introducing algebraic symbols into simple problems of addition and subtraction. The idea behind this is to get fifth-grade students to think about the realities of balanced equations instead of learning addition and subtraction by rote. When you say two plus "x" equals four, you have to figure out the meaning of addition for yourself.

Maybe, if the new arithmetic takes hold, the politicians of 20 years hence won't be able to pull the wool over people's eyes when they toss grandiose budget and tax figures around. The politicians may even learn not to delude themselves. But at the present moment, when everybody talks arithmetic like parrots, few people in Washington seem to understand the principles of balancing an equation when it comes to making programs for tax cuts and budget increases.

The illusions fostered by present arithmetical nonsense begin with President Kennedy, who must have worked for a spell in Macy's basement in his youth. In Macy's basement they learn that a \$1.98 price tag on something sounds a lot cheaper than \$2 price tag. With a subtle recourse to department store psychology, the President has put a \$98.8 billion price tag on his budget instead of a flat \$100 billion.

But two cents saved on a Macy's basement bargain won't even buy a useful postage stamp in 1963, and \$1.2 billion saved on a federal budget can be wiped out in a jiffy by a Congressional deficiency appropriation.

What is wrong with tax and budget figures as used in current discussion is that they ignore cash flow. To begin with, the only reality for the 1963 Congress, which can't commit its successors, is the first phase of the President's proposal for a three-fold bite. For 1963 President Kennedy hopes to get a tax cut of \$6 billion. This money would be left in people's pockets to spend and invest.

But when we balance out the national cash-flow equation in terms of the realistic new fifth-grade arithmetic, we quickly see that the President has no intention of leaving \$6 billion to jingle in people's pockets. In the first place, the social security check at our paychecks went up on Jan. 1—and some people we know have already cut down on their household help to avoid paying out the required increase to servants. Secondly, postal rates have already gone up. One realistic fiscal expert, Eliot Janeway, has estimated that the government's increased take for social security and five cent stamps will deftly remove more than \$2.5 billion from the people's pockets in 1963. This means that only \$3.5 billion of Kennedy's proposed \$6 billion tax cut will have any power to flush the economy.

Well, \$3.5 billion is a sizeable sum. But, with a proposed budget deficit of \$12 billion, it will not be a sum that can be reckoned in hard dollars. When a government goes into the red, it pays its bills with I.O.U. slips, which are used by the banking system as a basis for inflationary credit. So the \$3.5 billion in tax savings will be a "rotting" or a "melting" sum.

Putting all the fol-de-rol into fifth-grade algebraic form, as taught by the realistic "new" mathematicians, we get a meaningful statement. On one side of the equation we place the proposed 1963 tax cut of \$6 billion. On the other and "balancing" side, we begin with the extra social security and post office bite of \$2.5 billion, add to it an "x" to cover the depreciation of the currency resulting from the \$12 billion budget deficit, add a "y" to account for lower depreciation allowances to oil and gas and mining companies, add a "z" to cover the fact that businessmen are being scared by the tax collector into ordering the \$1.98 blue plate special for their clients at lunch instead of the \$4.50 steak, and the factory of the promised tax "relief" comes clear. It ain't a goin' to amount to much. If industry continues to boom in 1963, as may well be the case, it will be because it finds new ways to cut costs and increase volume on its own.

Preliminary figures for 1962 show that unemployment dropped only 274,000 to an estimated 3.8 million as of Dec. 31.

Employment increased by 1.1 million jobs during the year while the civilian labor force increased by 800,000. Actually, nonfarm employment increased by 1.4 million jobs to a 67.5 million total. But farm employment dropped by 300,000 to four million total at year end. Solving the slowly but steadily decreasing agricultural employment problem is one of the harder-to-cure aspects of the situation.

Labor Secretary Willard Wirtz admits it is really surprising there are not more protests from the four million and more Americans who have been unemployed in the past two years.

One reason given is that unemployment is not general but concentrated in depressed industry and area pockets. Another reason there is not more protest is that unemployment insurance cushions the impact. Also, most of the unemployed are unskilled workers, the uneducated and young workers without job training or experience. Unemployment rates in these groups are twice as high as among skilled workers.

Government programs to reduce unemployment so far have been unable to do the whole job alone. Area redevelopment and manpower training programs are just getting started.

Not enough contracts have been let and construction started on the accelerated public works program to create many new jobs. Congress took no action on the Kennedy administration youth employment opportunities proposal last year. It will be presented again to the new session. It is aimed at creating more jobs and reducing high unemployment for workers under 20.

Business leaders talk in optimistic tones about the possibility

that a tax cut will stimulate industry to create new jobs. The same claim was made for the tax credit on new investments and the new depreciation allowance schedules put into effect last year, but there hasn't been enough time to measure their effects on employment and unemployment, if any.

The other side of this coin is that new investments may be channeled into labor saving machinery that will cut employment instead of reducing unemployment. Wirtz is of the opinion that something will have to be done soon to offset unemployment caused by automation.

Organized labor leaders are counting on a tax cut for low income workers to stimulate consumer spending enough to create more jobs. The other big pitch in the union's program is to reduce the work week to 35 hours so as to spread available jobs among more workers.

Industry leaders oppose this as an effort to put over a disguised pay raise—less work for the same money. Wirtz also says, "I do not think this is the right answer."

A factor that concerns him more is that about 7 per cent of today's industrial production comes from overtime work. This is slightly above unemployment rates of around 6 per cent during the last two years.

If the unemployed could be given this work, everything might be dandy. But it isn't that easy. Much of the overtime production is temporary—like the current drive on manufacture of new models in the auto industry. Most of the unemployed in chronically depressed areas aren't located where the overtime work is available and, besides, don't have the skills to do it.

Also, from the employer's point of view, it has been estimated that it costs up to \$1,500 the first year to add a new worker to the payroll.



WASHINGTON NOTEBOOK . . .

Kennedys Learn How It Is

By WASHINGTON STAFF
Newspaper Enterprise Assn.
WASHINGTON (NEA) — President Kennedy, his brother Bobby and Chicago's Mayor Richard J. Daley are principals in the latest presidential "boat story" going the rounds.

The results: One vote for the President, one for Bobby and seven votes for Daley.

"We have a 15-year-old daughter (Susan) whose intellectual life we don't wish to confuse by moving in the middle of the school year."

Francis Keppel, new commissioner of education, was asked at his first Washington press conference whether he is a "New Frontiersman."

"It's not only her intellectual life we don't wish to confuse."

According to this one, the three are on Lake Michigan in a small craft which capsize offshore. There is just one life preserver. The President says: "We'll do this the democratic way. We'll take a vote to see who gets it."

Roger Hillsman, a World War II Office of Strategic Services operator and now State Department director of intelligence, is known as a man leery of predicting coups. The reason, as he explains it, is that, "a coup which you can find out about and predict will not come about because if you can find out about it, other people can find out about it, too, and take steps to prevent it."

National Association of Manufacturers first full-time president, W. P. Gullander, has decided not to change NAM's name. Editor and Publisher, the newspaper trade paper, recently reported a suggestion from American Newspaper Advertising Executives that NAM wasn't aggressive enough and that it ought to be renamed "Makers of America."

Air Force circles in the Pentagon have gagged on the Skybolt ballistic missile project cancellations. They say it will be replaced by research into the bow and arrow.

It's a tradition in the Navy that the first entry in a ship's log for a new year must be in verse. In the best sea-going tradition Cmdr. Edmund L. Castillo, who had the midnight to 0630 watch on January 1, 1963, in Assistant Secretary for Public Affairs Arthur Sylvester's office in the Pentagon, wrote a three-page poem. Here are some sample lines:

"Every court has displayed its professional jockeymen. Should we be afraid to be Pentagon spokesmen?"

"If the answer is cleared, you don't need to believe it. Just fill up your shovel, take aim and then leave it! Democracy's durable, newsmen are wise, Neither multi nor khaki will deaden their eyes."

Washington restaurateurs are all set for the new federal income tax regulations on expense account deductions. One restaurant manager has hired a blonde with a camera to take pictures of businessmen at lunch. The prints provide them with evidence for next year's tax report on their business entertainment expenses.

A reporter's call to the office of Brooks Hays, White House aide on congressional liaison and former Arkansas congressman, brought this exchange:

Hays himself answered the telephone. Said the newsmen: "Oh, sorry, Mr. Hays, I thought I would get your secretary."

Replied Hays: "Oh, so she's too busy to answer the telephone."



EDSON IN WASHINGTON . . .

Jobless Problem Is Still Major Concern

By PETER EDSON
Washington Correspondent
Newspaper Enterprise Assn.

WASHINGTON (NEA) — While President Kennedy in his State of the Union message puts tax reduction and reform as the most important issue, unemployment is still one of the most serious problems for the Kennedy administration, the new Congress, management, labor and the national economy.

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One reason given is that unemployment is not general but concentrated in depressed industry and area pockets. Another reason there is not more protest is that unemployment insurance cushions the impact. Also, most of the unemployed are unskilled workers, the uneducated and young workers without job training or experience. Unemployment rates in these groups are twice as high as among skilled workers.

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that a tax cut will stimulate industry to create new jobs. The same claim was made for the tax credit on new investments and the new depreciation allowance schedules put into effect last year, but there hasn't been enough time to measure their effects on employment and unemployment, if any.

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Letters To The Editor

Answer

In response to the Open Letter to Toy Dealers:

As a toy dealer I feel called upon to state an entirely different side of the matter of the type of toys now on the market. I am not defending myself or other toy dealers—we need no defense—we are only selling what the parents continuously ask for, what the parents tell us their children demand because they have seen it on TV, heard it on radio, read it in magazines, etc., and yes, because it is an item that will sell. I must defend the little teenage type doll which has been so severely criticized. Do you really believe this doll has given your children any ideas they didn't have? Can it, a little 10 inch piece of china or something similar, actually make suggestions to your children? There is nothing vulgar about this little toy. The child is merely projecting herself through the doll. Don't you realize your children would probably indulge in the very same conversation whether expressing themselves through a little doll or playing grown-up in their mommie's clothing? This particular doll neither talks nor sings nor does anything, in fact. This doll is probably the least expensive doll we, and most other toy dealers, carry, so how can you, Mr. Miller, claim it is sold for greed or money?

The worst I can say of the line is that her clothing is a little expensive, but many parents—and, yes, children themselves—make their own clothes for her. We do not sell this doll; it has been sold before it ever gets into the store. How many parents have come in, I wonder, stood at the door and asked if we have this particular doll, only to go elsewhere for it when we are out of the item?

The small allotment we receive is mostly tagged with a "sold" sign (for a waiting customer) and never gets out to the counter.

The favorite doll in the store, as far as my wife and I, as well as our employees, are concerned, is a little baby doll in a snow white dress who says "Mama, and sells for under \$5, nobody wants her because she doesn't do anything! The little (or big) talking dolls make such average remarks as "I love you"; if she's lying, who knows?

I have in my warehouse some of the monster type toys which so many people called for, but which I couldn't feel would be any advantage to any youngster. I am sure you will find the same situation with other toy dealers. As to cowboys and Indians, we make these products available to the child, if he wants them. Apparently he doesn't; very few parents ask for this type toy. The guns (I question their worth to a child in his growing up) must be the Rifleman, Wyatt Earp, or whoever is top man on the local TV channel at the time.

As to a child living in an adult make-believe world haven't children, always lived in a dream world? Haven't they always played "house" and "mommy and daddy"? Isn't the teenage bracket a step before the mommy and daddy stage? Wouldn't you just as soon have your little girl play she is her teenage sister, whom she probably idolizes, as well as your little boy playing he's a cowboy shooting off our now almost extinct Indian?

Finally, may I point out that we do not sell the majority of these toys; we simply make them available to the public who requests them. (And even here we draw the line if we feel the toy is a "monster" type toy).

Ernie Sessom,
Ernie's Toy Shop.

those who brought such a law into being and as much so of those whom would force it upon us! It is unconstitutional. According to our national federal law we have a guarantee of life, liberty and the pursuit of happiness, our own happiness too if you please.

Further for the minority who love the thought of zoning and the regimented way of life it should cause them less inconvenience — let them trade for such zoned and regulated property with some owner who would love to trade the well-regulated bliss for our yet unfiltered way of life.

Don't tell us it would not raise taxes! We know better! It would be classed as improved property and that would be cause enough.

Who would pay the wages and expenses of all the inspection and codes, regulations and all the thousand and one other ways of extracting money for the privilege of being regulated!

Zoning is not the answer to industry. Do something about the tax system we have here and you won't have any trouble attracting industry. No firm in sane mind would come here under the present system. Give them a decent tax climate and some unfiltered sites upon which to build and they will come!

Zoning and a lot of other governmental regulations are a creeping paralysis. It must be repealed! The Communists even shoot people to help them enjoy their way of life and build walls to protect them so they cannot get away from what government knows is best for them!

In closing, please get off our backs! and leave us in our peace. I want to see our American way of life stay what our forefathers intended it to be!

We have the best national government in the world. Let's keep it that way!

Ray I. Jones,
4038 Shasta Way,
Suburbantite!

Issue Defined

For those who may be able to view the current zoning controversy dispassionately, and for what it may be worth to learn the opinions of a professional in the field of industrial development, I would like to pass along some thoughts on zoning expressed in a letter from D. T. Daggett, industrial agent for the Southern Pacific Co. in San Francisco.

"Business men who are charged with the responsibility of selecting sites where their companies invest large sums of money in new plant facilities want to be sure that they are: (1) locating in a city or town with a good business climate, and (2) that the intended plant investment will not be jeopardized by conflicting land uses such as encroachment of homes or objectionable, nuisance-type industries.

"Good community planning is evidence of good business climate. Conversely, a community without a general plan to guide its future growth or a zoning ordinance to enforce the restrictions implicit in the planning process is suspected of having a poor business climate, or at least a lack of leadership and understanding of the mistakes that have been made in other places.

"Industrial prospects expect protection for their intended plant investments, much the same as residential and commercial buyers. This protection can be provided by zoning restrictions and in some cases by deed restrictions or covenants such as are applied in industrial parks. The Klamath Falls area is not at that stage of industrial development where there is a demand for the amenities of an industrial park, therefore it should be thinking of establishing a sound zoning ordinance."

George T. Callison

Blue Plate

I look at it now, on my shelf, and wonder, and ponder, if I could be half as brave, and self-reliant, as those who came the long trail to our land here. Of the hardships, loyalty and dignity that brought it here, to sit in safe security, many generations later, as bright and bold as when many years ago it came with master and mistress across the long trail from Tennessee to Oregon.

There are many years to count and so many problems to surmount. But we of today have no high wall to surmount or dividing us, with guns guarding it, to say you shall or shall not. Ours is a free world, that we may cross a street as we choose and not have to say, "My we!" We can pray to our own chosen God of belief for guidance and help without fear.

So like my little blue plate that stands with so much dignity on my cupboard shelf, let us who are here now look back to the time that the little blue plate crossed the plains.

They did not falter, or grow weak, although sometimes afraid. They knew they were going to a land of freedom, with hardship, but their hearts were true and brave even as the colors on my little blue plate generations later.

N. Colleen Kite,
211 Nevada Avenue.

Guesser

Coitword puzzles I did make Words ten thousand for the take. Only twenty, no rhyme or reason To win easy bucks this season. Words, roars gives a lucid kernel These words seem eternal. Combinations, a thousand used One word printed wrong, ABUSE. Only nuts like you and I Waste our time on this pie. I've grubbed the "diet" for meaning more

To find the words and end up poor Twisted meanings, I have learned My ears are wider and really burred.

Be an idiot at your best And you too, can win this test. Steven Peters, 1414 Oregon.

Get Off

If anyone were to ask our public officers how they came to be elected to office they no doubt would say: "A majority of people had confidence enough in me to vote for me."

Just how inconstant can they get? After they have been elected to office (and at Salem, too, state officers as well) they seem to feel that this same majority of people do not have sense enough to know whether we want zoning forced down our throats? Were we right in electing such people to office? I wonder.

This law and any enforcement of it is a disservice on the part of

POTOMAC FEVER

White House counsel Ted Sorensen says a tax cut will mean a Democratic victory in '64. It's the old story. There's no pleasure without a little suffering.

Twelve Kennedys watch Bob Kennedy argue his first case before the Supreme Court. The Justices better decide it Bob's way—or next time he'll threaten them with the whole family.

The British want to build a tunnel under the English Channel. Thanks to De Gaulle, it's the only way we can sneak into the common market.

In the automation age, it's an advantage to be a beautiful girl. One look and the office manager decides to fire some of the machines.

Joe Kennedy's name for Washington: Boys Town.

Pro football probes player connections with gamblers. There's some suspicion those fellows using the phones on the sidelines are calling their bookies.

FLETCHER KNEBEL

LETTERS TO THE EDITOR

Teaching

I would like to express my opinion on the teen-age models and other games which we have opportunity to buy today.

What is the matter with you adults? A child's world is a world of dreaming. If your children have immoral thoughts toward these toys, they would probably have them regardless of the toys they play with. All four of my children have teen-age models and they spend endless hours dressing them and enjoying them. I wish I would have had half the toys to play with that are available to my children.

When you were a child, did you never dream you were a prince or a queen? What is the difference between this and pretending you are an Indian ready to scalp or shoot someone?

If you are going to try and hide the faces of life from your children, you better lock them up and not let them communicate with anyone else. It is impossible. You can teach your children right from wrong.

Irene Rea.

Almanac

By United Press International
Today is Sunday, Jan. 27, the 27th day of 1963 with 338 to follow.

The moon is approaching its first quarter.

The morning stars are Venus and Mars.

The evening stars are Mars, Jupiter and Saturn.

Those born on this day include Wolfgang Mozart, great Austrian musician and composer, in 1756.

On this day in history: In 1862, President Abraham Lincoln issued general war order No. 1, instructing Northern Army and naval forces to be ready to make their first moves in the Civil War.

In 1889, Thomas E. Edison was granted a patent for an electric incandescent lamp.

In 1943, the U.S. Eighth Air Force staged first all-American air raid of World War II on Germany, bombing Wilhelmshaven in broad daylight.

In 1962, a U.S. Ranger spacecraft missed the moon by 22,000 miles.

Almanac

A thought for the day—Abraham Lincoln once said: "Let us have faith that right makes might, and in that faith let us in the end dare to do our duty as we understand it."