

Where do we go from here?

WASHINGTON:

Alexander the Great is supposed to have complained at the age of 32 that he had "no more worlds to conquer." As far as his domestic program is concerned, President Johnson, less than halfway through his first full term, could make the same complaint.

"I have the feeling of a curtain being rung down," says Lawrence O'Brien, the very able White House aide for congressional relations. With the end of this session of Congress in sight, the curtain is being rung down on a great internal struggle which started more than 30 years ago, with the first New Deal.

For all those years, with remarkable tenacity, the conservative coalition in Congress has fought the basic New Deal concept—that the Federal Government has a wide-ranging mandate to promote the general welfare of the people. Now, all of a sudden, that fight is ended, without a bang and with hardly even a whimper.

Medicare, federal aid to education, the voting-rights bill, the direct federal housing subsidy—in the very recent past, the passage of any one of these pieces of legislation would have seemed a huge achievement for any one session of Congress. The passage of any one of them would have been accompanied by an enormous ruckus. As always throughout the last 30 years, every spokesman of the right would have shouted "socialism" at the top of his voice, like the boy in the fable crying "wolf."

The Johnson housing bill can, in fact, quite fairly be described as "socialist," but nobody paid any attention to the few feeble cries of "wolf." The Congress, in short, has passed a whole catalog of the most controversial legislation since the early New Deal, with hardly any real controversy at all.

There are two main reasons why this has happened. One is that (thanks largely to Barry Goldwater) President Johnson has in Congress, for the first time in many years, a secure presidential majority. The other is that Lyndon Johnson is the first Democratic President in modern history who has succeeded in persuading the business community that he is not anti-business. This is why the question—where do we go from here?—is a more difficult one for President Johnson to answer than it would have been for President Kennedy.

Before he was murdered, President Kennedy had a remarkably clear idea of where he was go-

ing on the domestic front and how he planned to get there. He expected, with good reason, to be reelected by a landslide in 1964 and to bring in with him a heavily Democratic Congress which would give him the presidential majority President Johnson now enjoys. Thereafter he expected to pass the substance of his program, which is in essence now President Johnson's program. But he then fully intended to return to a bit of unfinished business.

He had originally offered Congress a combination of tax reduction and tax reform, but before he was assassinated it was already clear that tax reduction could be achieved only by jettisoning tax reform. Tax reform was the bit of unfinished business to which he intended to return. He told his brother Robert and a few other intimates that he planned an across-the-board tax reform as the great achievement of his second term.

Working on his tax program, President Kennedy had become for the first time fully aware of the gross inequities in the present tax structure. In 1963, not long before he died, he ordered the Treasury Department to start compiling a collection of "horrible examples" of tax inequity, which he could use in his second term to shock the Congress and the country into a mood for real tax reform.

One horrible example was an immensely rich man—one of the half-dozen richest in the country—with an annual income of many millions. He paid \$22,000 in income taxes—less in proportion to his income than a \$4,000-a-year laborer. He then had the gall to demand a \$3,000 refund. The tax agents, lost in the labyrinth of his incredibly complex bookkeeping, granted the refund.

An even more horrible example was that of an even richer man who in two recent years contributed in income taxes to the defense and welfare of his country the ludicrous sums of \$560 and \$641. Using such examples, the late President might actually have achieved the hitherto unachievable—the rewriting of the tax laws to provide some modicum of equity. But in the process he certainly would have made many very powerful and bitter enemies.

This is one reason why President Johnson is very unlikely to choose tax reform as his answer to the question: Where do we go from here? For the business community, now so lamblike

*In a permissive age,
Hoover stands firm, a monument
to conventional morality.*

S.H. Eve Post - Sept. 25 65

For a man of strong opinions, Hoover has more flexibility than he is given credit for. "When the chips are down, he is as canny as a Richelieu," says one Justice Department staffer. "I've watched the Bureau operate for years, and they have an established technique. Whenever they goof, they deny everything, and then quietly clean things up behind the scenes." In the Oswald case Hoover bitterly denounced the Warren Commission for suggesting that the FBI should have passed on to the Secret Service its data on Lee Oswald, whom the Bureau had under investigation prior to the Kennedy assassination. Long before the Warren report, however, the FBI had instructed its agents to broaden the information they funnel to the Secret Service on possible threats to the President—and to include all defectors like Oswald.

While publicly defending the Bureau's role in the Oswald case, Hoover had ordered the agent involved to be reprimanded, suspended for a month without pay, and transferred to another post. Questioned on this seeming double standard, Hoover replied that "it is not uncommon" for the Bureau to praise an agent for one aspect of an investigation, and reprimand him for another. In keeping with established Bureau policy, he did not specify what the agent in the Oswald case had done to draw punishment.