

EDITORIAL OPINION

The Daily Nebraskan editorially endorses the candidacy of Sen. John F. Kennedy for President of the United States.

The overriding issue in this election is the answer to the question, "Who can best provide the leadership during the crucial 1960's?"

Vice President Nixon has denied that the United States has lost and is continuing to lose prestige abroad. He is able to provide little evidence of this.

At home, the question of whether our economy is growing fast enough is a major issue. Those who say we must give up our freedom in order to grow faster distort the facts.

There are many other issues which have played a part in our endorsement, such as Mr. Nixon's frightening stand on Quemoy and Matsu, the fact that with a Democratic majority in the Congress likely, a Democratic President is highly desirable and the previous record of Mr. Nixon, which, as Walter Lippman says, "raises serious doubts whether he has within his conscience the scruples which the country has a right to expect in the President of the United States."

In nearly every instance, Mr. Kennedy has demonstrated himself to be better equipped for the tremendous task that awaits the next President. His "moderate, responsible liberalism," as one observer describes it, leads us to believe he will be a strong President with the ability to lead the country during this most critical period our nation has ever experienced.



IT'S THAT SEASON AGAIN

Daily Nebraskan Letterip

More Comment

To the Editor:

Within the last two weeks two lengthy articles dealing with the critically important subject of economic growth have appeared in The Daily Nebraskan. The first of these on October 18 was by Professor Henry Wallich of Yale University and constituted a short essay dealing with the general problem of economic growth, but which contained, nevertheless, the dual implication that the recent rate of growth of the American economy is satisfactory and that we could only purchase a more rapid rate of growth at the price of a loss of freedom.

At the onset I wish to point out, first, that economists do not possess a wholly objective criterion of what constitutes for any society a satisfactory rate of economic growth; and, second, measurement of the average rate of growth that a society has experienced over a period of time is a tricky thing because quite obviously the value of the average will depend upon where you start and what you include.

In spite of the limitations inherent in any quantitative measurement of our economic progress, I believe that available statistical

data pertaining to the performance of the American economy in the post World War II period shows conclusively that we have not achieved a satisfactory rate of economic growth. In fact, I believe that in view of the enormous economic and military challenge presented to us by the Soviet Union and its allies that our own economic performance has been dangerously inadequate. To support this thesis I will draw some comparisons between developments in the postwar years 1945-1959 with developments in the war years of 1940-1944. The statistical entities I will use as indicators of economic growth are gross national product, personal consumption expenditures, the labor force, and employment levels. Gross national product and personal consumption expenditures will be discussed on both an absolute and a per capita basis, and are measured in real terms, which is to say in constant prices.

There are many ways in which economic progress can be defined, but the most generally accepted measure among economists is that of a rising level of output per person. This is so because economists are concerned with the basic problem of the material well-being of a society, and if a society is to achieve a rising standard of material well-being, its average per person output of economically valuable goods and services must also rise. If the population of a society is increasing, then attainment of material progress means that the total output (or production) of goods and services must rise at rates greater than that at which population is rising. If it does not the society may stand still or even regress, even though total output is increasing. For material progress it is not enough, in other words, for total output simply to increase.

Given these considerations a strong case can be made for saying that the United States has experi-

enced practically no economic progress of any significance since the end of World War II. This is a startling statement and one that may astonish in view of the evidence of our own eyesight which tells us that not only are we consuming more, but also a greater variety of goods and services than we did fifteen years ago. Certainly all the new automobiles, television sets, and homes that have spread over the American landscape are not an optical illusion. One might well ask with considerable bewilderment if this is not economic progress, what is?

To explain this apparent paradox we need to examine the statistics of our national output during the postwar period. For the fifteen-year period 1945-1959 real gross national product rose at an annual average rate of 2.1 percent. This rate of growth is to be compared with our historic long-term average of about 3.0 percent. Professor Wallich, incidentally, achieves a somewhat higher average rate of growth for the postwar era by lopping off the years 1945 and 1946, which, admittedly, were years of adjustment from a wartime to a peacetime economy. There is no need to quibble over this, however, for my key thesis is that the American economy experienced a really massive surge of growth during the war years of 1940-1944, and it has been this growth surge rather than postwar developments which provided the basis for the real gains in our living standards that we have known since the end of the war. To be more specific, the nation's real gross national product rose at the astonishing annual average rate of 11.5 percent during the period 1940-1944. Most of this increase in output went into the war effort, but this is not the important point. What is important is that this wartime experience demonstrates that the American economy can expand at an extraordinarily high rate if the need is present. This very high rate of growth in our gross national product was not, as some may think, the consequence of putting the unemployed of the depression era back to work in wartime production. Employment rose at an annual average rate of only 3.3 percent during the war years; in the same interval the labor force actually declined at a rate of about one-half of one percent per year.

The contrast between the great surge of growth we experienced during the war and our more mediocre progress since 1945 is made even more pointed by an analysis of the gross national data on a per capita basis. During the war years (1940-1944) total output per person rose at an

annual average rate of 10.2 percent, but in the last fifteen-year peacetime period (1945-1959) the nation's gross national output per capita has increased at an annual average rate of only 0.5 percent! This means, in other words, that the rate of increase in the total output of the economy has barely remained ahead of the rate of increase in our population. In the postwar period the nation's population expanded at an annual average rate of 1.8 percent, a figure slightly less than the growth rate of the gross national product in this same period. To put the matter in still another light, the data show that the gross national product per person in 1959 was only 5.6 percent higher than the gross national product of 1944. On a per person basis, in other words, we had available for all uses only a little over five percent more in the way of goods and services than in the year of our peak wartime effort, 1944.

The problem — and the paradox — is to square these figures with the evidence of our own eyesight, for, as stated earlier, we do see all about us convincing indications that real standard of living has improved drastically since the end of World War II. And curiously enough the statistics of national income and product tend to support the contention that living standards have risen since the war. If we look, for example, at what has happened to real consumption expenditures on a per capita basis we get a very different picture of our situation. Consumption expenditures measured in constant prices are probably a better indicator of our living standards than total output per capita for the simple reason that our standard of living is essentially a matter of what we are able to enjoy in the way of material goods and services. Thus, we find that real consumption per capita in 1959 was 41.7 percent higher than real consumption per capita in 1944. There has been, in other words, a more than 40 percent gain in our standard of living in the last fifteen years if we use real consumption per capita as a measure of the standard of living. On an annual basis real consumption per capita has risen over this period at an average rate of 2.4 percent. This is certainly not a bad rate of growth, for such a rate if compounded would mean an approximate doubling of our real living standards in about thirty years.

The question now is this: Where did this real gain come from if our over-all rate of growth of the national output has been so low as to keep us barely ahead of the growth in population? The answer is de-

ceptively simple and in a way provides the answer to our original question concerning the adequacy of our postwar rate of growth. We have been able to enjoy an enormous advance in our living standards during the past fifteen years primarily because World War II is over and we have been able to use the extra output that came from the wartime surge of growth for peaceful rather than wartime pursuits. If we had had to depend upon the actual rate of growth experienced by the economy in the postwar period for real gains in our standard of living, it would simply have been impossible to experience the more than 40 percent rise in real consumption on a per person basis that has actually taken place during this period. The over 50 percent increase in the nation's gross national output that took place in the relatively short period of the war years of 1940-1944 is the real source of our postwar consumer prosperity!

The above thesis is supported, too, by a comparison of some of the uses made of the gross national product recently and during the war. In 1944, which was the peak year of our war effort, almost half — 47.9 percent to be exact — of the real gross national product was absorbed by the governmental or public sector. The bulk of this obviously was for war purposes. The government took, in other words, nearly half of a total output that was some 50 percent greater than the output of four years earlier. When the war ended in 1945 the needs of the government fell drastically, and consequently much of this real expansion could go to support peacetime activities. We could have had a real increase in our consumption standards even if there had not been any expansion at all in the output total in subsequent years. In any event the government's share of the output total has fallen to an average of less than 20 percent for most of the postwar years. In 1959 it totaled 16.7 percent. Since the government now absorbs a much smaller proportion of an output total that rose very sharply in response to wartime needs, it should be obvious that herein is a key factor in the real increase that we have experienced in our postwar living standards. In view of this and in view of an average annual rate of growth of total output of only slightly more than two percent for the whole postwar period (1945-1959) I shall leave it to the reader to judge whether or not we can be complacent about the rate at which the American economy is advancing.

Wallace C. Peterson Associate Professor of Economics

Staff Views

BOVINE VIEWS

by Jerry Lamberson

Another page in University history was written over the weekend as thousands of alumni gathered for the traditional festivities.

As usual, Ag campus again participated in the event. However, its total sum of spirit was chalked up into one display. The Ag campus, notoriously known for its poor Homecoming participation, has in the past had some floats in the homecoming parade.

One reason for the lack of spirit this year was the cancellation of the homecoming parade. Several of the Ag houses and organizations had planned floats until the parade was abolished. This decision came after the entries for displays had closed.

This left little choice for those that planned floats. They had only two alternatives of promoting homecoming spirit. They could either build a display or do nothing.

The Homecoming parade was abolished after the entries were closed for house displays so none of the previous float-builders could enter display competition. Any spirit at all had to be for the sake of spirit alone.

These houses could have built displays which would have welcomed the alums back to campus. Although not eligible for competition, these displays could have been less elaborate than those entered in competition. Even a meager tiger rolling over dead could have showed some spirit to the alums. However, there were no displays other than the one entered in competition.

Although lacking in Homecoming spirit, the Ag campus is not lacking in the spirit of Sadie Hawkins. One of the bigger events for the year at the Ag Union, the dance this year has also been expanded to include a queen contest.

Dogpatch attire will spark the general girl ask boy date affair which has been an annual feature since Sadie first caught her man. Last year the Ag Union featured Marrayn' Sam who invaded the dance and married off all the eligible bachelors.

Lil' Abner will get little publicity at this year's dance as most of the attention will be focused around Queen Sadie. Of course this has been natural for him as Sadie has always seemed to have the upper hand in their very romantic relationship.

Sadie Hawkins history has established that for once the female sex should have their way and that the males should follow suit. Sadie proved this by catching Lil' Abner, wrapping him around her little finger and carrying him off to Marrayn' Sam, who had no choice but to marry them.

Lil' Abner's defensive efforts were futile and he was stuck with the freckle-faced, pigeon-toed and bare-foot Sadie Hawkins.

Queen Sadie will again relive all of these happy moments as she carries on her annual chase Nov. 11. The scene will be the same; only the time has changed.

NHSPA To Be Here This Week

The University of Nebraska School of Journalism will host the annual Nebraska High School Press Assn. convention Friday and Saturday.

About 40 to 45 high schools will be represented by 600 to 700 students. Art Junge of Scottsbluff will preside over the first general assembly Friday. The keynote address, "New Directions for NHSPA," will be given by Margaret McMartin of Omaha, president of NHSPA.

Career Workshops will be conducted by journalists from The Lincoln Star, The Lincoln Journal, the Schuyler Sun and the Nebraska Farmer. Clinics will follow.

The convention banquet will be held in the Nebraska Union Friday at 7 p.m. Warren Cook, mayor of Norfolk, will preside and William Staffer, editor of the York News-Times, will give the address.

An Awards Luncheon at 12:30 p.m. Saturday will close the convention. Sweepstakes awards—to schools rated highest in the clinics—will be presented by Joe W. Seacrest of the Journal-Star Printing Co.



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