

Editorial

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Income tax Rate increase needed

Like many states, Nebraska's income tax rate is legislatively tied to the federal income tax rate.

During the last several decades, this relationship bore good news for state revenues as the federal income tax rate gradually rose. A double bonus occurred for government revenues with the rapidly increasing wage rates resulting from spiraling inflation.

Consequently, states tied to the federal income tax rate recently have been faced with a double crunch: the federal income tax rate was cut and inflation has greatly moderated. State revenues have suffered greatly.

Of course, the obvious solution is for states like Nebraska to increase the rate of their income tax. This is what Nebraska did last year, increasing the 1985 tax rate from 19 to 20 percent of the federal liability. But the increase was for 1985 only. The rate declined to 19 percent on Jan. 1.

The problem with regaining lost revenue through rate increases is that it takes overt political action by state legislators — and overt action by legisla-

tors always takes backbone. The increase in revenues during the 1960s and '70s was relatively "silent," coming as a result of policies set far away from Nebraska.

Nonetheless, it is obvious that Nebraska desperately needs increased revenues. As State Sen. David Landis of Lincoln recently complained, "We have made tax rate increases so politically difficult that we have paid a heavy price in government services and meeting human needs."

The most responsible action is for Nebraska legislators to plan ahead in order to avoid the revenue shortfall that will result without increased taxes. Citizens must understand that increasing the tax rate simply makes up for real tax reductions in recent years.

A tax increase is desperately needed. The theory behind President Reagan's "New Federalism" policy is that the states will take up the slack left by the reduction in federal programs. For this, state revenue is needed.

Needed as well are legislators with the backbone to make the necessary decision.

2-year budgets Law can help long-term planning

On Monday, Gov. Bob Kerrey signed into law a bill creating a biennial budgetary plan for Nebraska. It's a change that could benefit the NU system.

Under LB258, senators will no longer prepare the budget annually, but once every two years.

The idea has great potential to improve the Legislature's efficiency. In tight economic times like today, every state's legislature spends more time debating the budget than any other issue.

Nebraska's senators even had to schedule a special session last year just to work on additional budget cuts. It took time, and senators couldn't discuss several other important bills.

The new law also will help state-funded agencies plan for the future.

For example, under the old law, UNL administrators had to plan everything around three budgets — the current one and budgets for the following two years. The new law will give them more time to plan allocations and cuts. It won't be done so frantically, and irrationally, as has been the case in the past sometimes.

The new budget plan also will help the Legislature more accurately anticipate incoming revenue, thus avoiding revenue shortfalls like the one this year.

But there are some problems with the new budgeting process — especially for NU. Administrators plan much of their budget around enrollment figures. It will be hard to guess enrollment trends. The danger, of course, is that officials might at times underestimate future enrollment figures and then would come out short-handed in the end.

Inflation also must be considered. NU administrators, as well as senators, will need to monitor the economy and take it into consideration when making up future budgets.

In an interview earlier this week for a different story, T.E. Hartung, dean of the College of Agriculture, jokingly said he didn't have much time to plan programs for the future because he was so preoccupied with the budget problems of today.

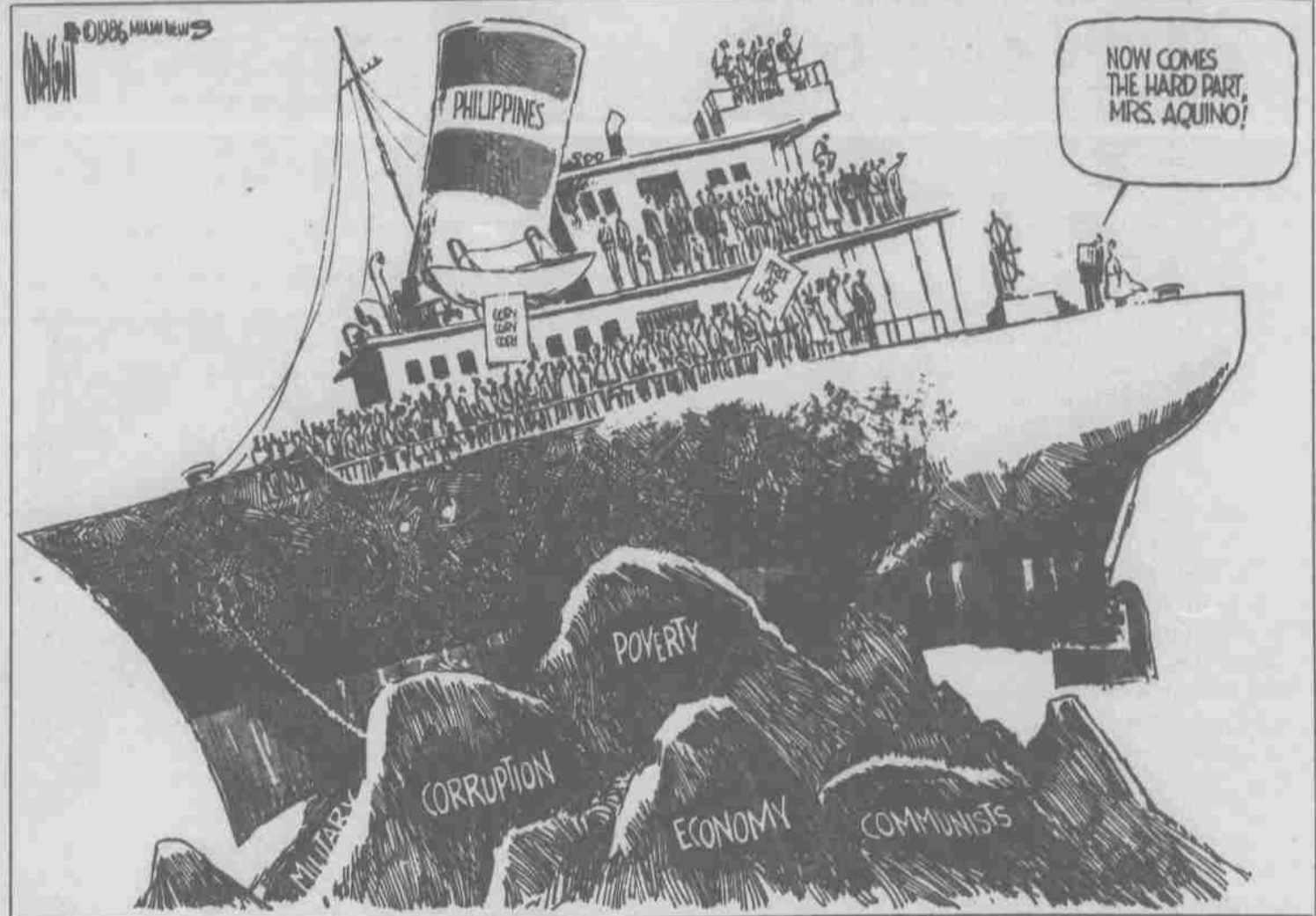
Maybe now Hartung and other NU officials can buckle down and start working on something NU needs — long-term planning.

Editorial Policy

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tor, James Rogers, editorial associate and Chris Welsch, copy desk chief.

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Contract shouldn't be idealized

Right thinkers should put contract in a limited niche

The concept of contract is predominant within modern conservative thought. Its broad appeal is easy to understand.

The process of contracting gives vent to the deeply respected American idea of voluntariness in human relations. And, after all, it seems preferable that relevant actors in a situation agree rather than be forced into some course of action.

This contract ideal, or "paradigm," spread pervasively in the 19th century. It obscured the earlier, more duty-oriented, conservative tradition espoused, toward the end, most notably by Edmund Burke. But the roots of the world view extend back to St. Augustine and before.

The overshadowing of the earlier conservative tradition by conservative contractarianism is most lamentable. Now, it's not that I find no proper role for contract in society — clearly I do. Rather, I find the idealization of the contract objectionable. It is a metaphor for understanding social relationships that has captured and continues to hold the imaginations of many fellow conservatives.

Contracting is an expression of free activity, and within a number of realms and within a large number of circumstances this process can continue without distrust. Yet circumstances also exist in which the contracting process reduces individual liberty; thus, it must be questioned as an appropriate social construct for conservative thought.

The question revolves around the notion of power: how people get power over other people, and what are the limits to this power. The addition of power makes the idea of contract a lot more sticky.

For example, in this winter's edition of the Harvard Journal of Law and Public Policy, USC law professor Maurice Jones explicitly defends the 19th century view of contract supremacy as follows: "To make a person poorer is meant here to shrink the number of options a person has available to improve his or her lot in life..."



James
Rogers

"Poor people tend to have fewer choices than rich people because they have less money. Poor people do have free will, however. If a judge bans a contract clause on the ostensible ground of protecting the poor, the judge actually is reducing the choices of poor people and is therefore preventing poor people from doing as well as they can, given their circumstances, in the realm of contractual choice."

On one level, Jones' analysis is OK; after all, marketable choices should not be taken away arbitrarily from those who can benefit from their marketing. Yet behind Jones' statement is

that the "choice" of the poor person always is the result of "arms-length bargaining."

Yet there is a slippery slope in Jones' analysis, as well as the lack of recognition that people can be taken advantage of — sometimes very easily. Harvard philosopher Robert Nozick, using identical analysis to that of Jones, argues in the name of freedom of contract that people should be allowed to sell themselves into slavery.

The above objection to conservative "contractarianism" is not as socially irrelevant as may first appear. The power of company towns over their inhabitants was largely one based upon "voluntarily agreed upon" contracts. In the workplace, workers could easily be made to "contract" away any right of recovery for work-related accidents. How the conservative reacts to these phenomena is determined by how he thinks of them.

In a phrase, a despotism could arise "justly" given a purely contractarian approach to social relationships. Yet despotism is never justified. Eighteenth century property rights theorist John Locke opposed the legitimacy of so-called "voluntary" submission to despotism. Such a notion obviously undergirds the thirteenth amendment to the U.S. constitution. It is to this tradition that conservatives (as well as all other right thinking individuals) should turn, and simply place contract in its proper, limited, economic niche.

Rogers is a graduate student, a law student and DN editorial associate.

State acquisition of UNO to blame for deterioration of quality at UNL

After reading Chris Welsch's column on how boring the ASUN campaign is (Daily Nebraskan, March 3) and Gerard Keating's guest opinion on the university budget, (DN, March 3), I think it is time to give UNL students a history lesson — a lesson ASUN candidates can use for an exciting platform and something that ASUN should use in its legislative lobbying.

Guest Opinion

Let me begin by citing my authority on the university budget. I was a UNL student from 1971 to 1977. I served on the Government Liaison Committee, the Fees Allocation Board, the Council on Student Life and was ASUN second vice-president in 1975-76.

In the early '70s the University of Omaha was having financial trouble and the state was convinced that it should take control of the failing insti-

tution and help it along. While that was a nice gesture then, it has now become the cause of the university's budget problem. What happened in the ensuing years was renaming the University of Omaha to UNO and the University of Nebraska to UNL, replacing campus presidents with chancellors and creating an NU Systems Office staffed with presidents and vice-presidents. That was minor in relation to what was happening to the budget for this university system.

Since the acquisition of the University of Omaha, the budget for that campus has grown alarmingly, while the budget for UNL has only had piecemeal increases. I beg ASUN officials to research the facts and see for themselves. While they are at it, they should look at the budget for the systems office.

Let me explain this in terms of quality of education. The systems office, its puppet regents and a powerful Omaha lobby have taken a little community

college and turned it into a major institution of higher education. Again, a nice gesture, but just think if the systems office had only maintained the University of Omaha as it was when the state acquired it and pumped all that money into UNL.

Just think of it: UNL could have had the highest-paid instructors in the Big Eight, if not in the entire Midwest. The state could have had a quality institution of higher education. Instead, it has two mediocre institutions.

Does the state need such duplication of effort only 60 miles apart? Can the state afford such duplication of effort?

Obviously not. So what is the solution? You can begin by controlling the flow of money to UNO. And for you joke parties, here's my solution: Sell UNO back to Omaha, eliminate the systems office and replace the campus chancellors with presidents.

Paul R. Morrison
University of Nebraska alumnus