

Viet War is 'detrimental' to U.S. economy

by Bill Smitherman
Nebraska Staff Writer

The Vietnam War is not necessary to stimulate the United States economy. In fact, the war has been detrimental to the economy, according to Wallace C. Peterson, chairman of the University economics department.

"We were doing very nicely before the war," Peterson said. "The period between 1960 and 1965 was almost a textbook case of good economic management."

Emil M. Meurer Jr., instructor in economics, agrees. "The idea that the United States must have a war for its economy to operate efficiently is a bunch of malarky," Meurer said.

"It has been proven many times that this country can operate efficiently in times of peace," he added. "After World War II, the U.S. shifted from an all-out war economy in 1945 to a stable peacetime economy by 1946."

"The unemployment rate of six per cent in the early sixties had dropped

to below four by 1965," Peterson said. "This is considered to be almost full employment."

He added that the high employment rate was achieved with almost no increase in the price level.

However, when the Vietnam war was escalated in 1966, huge sums of defense money started pouring into the fairly stable economy, Peterson said. Government defense spending increased some 21% in 1966.

Meurer said that this increased government spending has caused demand for U.S. production to exceed supply capabilities. This caused the rise in prices, he explained.

"We are now in a position where we must try to curb a boom without increasing unemployment," Peterson said. "This will be very difficult to do."

There are other indirect costs of the war, he continued. "The cost of the war has been unestimable because of things left undone at home."

Meurer said that a number of things

might have been done with the money spent in Vietnam.

"Twelve per cent of the American population now subsists on an income below the established poverty level of \$3600 a year for a family of four," he continued. "It would take about \$20 billion a year to raise these people above the poverty level."

"Since some \$25 to \$30 billion a year is being spent in Vietnam, it is possible that this money could have been used to eliminate poverty in the United States," Meurer explained.

He said even though the United States is one of the richest countries in the world, its resources are still limited. When more money is spent for war then less will be spent elsewhere, he commented.

"The domestic programs are those that get slighted," Meurer added.

Peterson said that the war has also caused a problem in the U.S. balance of payments. He explained that figures of the National Industrial Conference Board show the war has contributed from \$3 to \$4 billion a year to the balance of payments deficit.

This figure is equal to the total yearly deficit, he continued.

"These figures imply that if there had been no war we could be operating without a balance of payments loss," Peterson concluded.

He added that the actual cost of the war has been about \$106.7 billion in fiscal years 1966 through 1970. The direct cost reached a peak in 1969 when nearly \$29 billion was spent.

"There are many people who fear a serious recession if the war ends," he continued. "In fact, just the opposite may be the case."

He explained that not enough resources will be released when the war ends to seriously effect the economy.

Money now being spent for the war

will probably be allocated to other defense projects, he said. "The Pentagon has a shopping list as long as your arm," he added.

Meurer concurred with this opinion. "The end of the war will probably not measurably affect the economy for either the better or the worse," he said.

Both economists mentioned the concept of a "peace dividend."

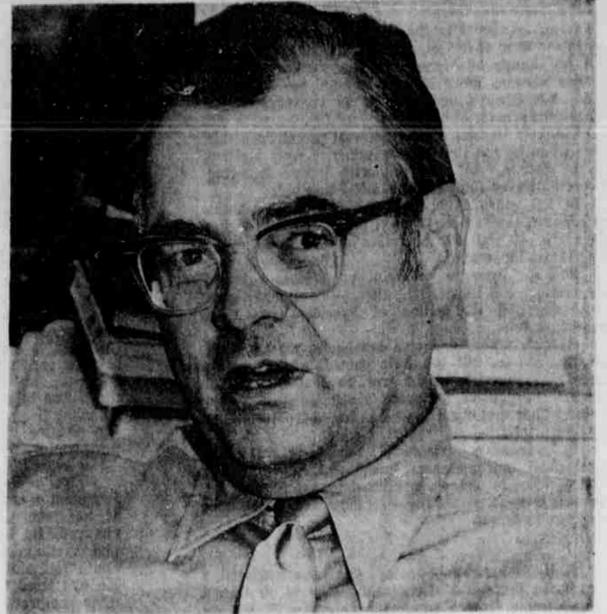
Peterson explained President Johnson's Council of Economic Advisors conceived the idea that if the war ended, at least some of the money spent on defense could be shifted to domestic uses.

The council found that some \$21 to \$22 billion might be available for domestic use by two and a half years after the war's end. The council also predicted more income from growth in tax revenues, he said.

"The 'peace dividend' seems to be evaporating, however," Peterson added.

He explained that most of this money will probably be shifted to other military projects. The Administration also now contends that there is a great deal of expansion built into existing programs which will utilize much of the money.

"The general feeling seems to be that there won't be much spending on other projects even after the war ends," Peterson said.



Dr. Wallace Peterson

Campus response enthusiastic, varied

Continued from page 1

ed that six Americans out of ten, or 58 per cent now believe that the United States made a mistake by involving itself in the overseas strife.

A slight majority of 52 per cent maintain that they agree with the way President Nixon is handling the war, but his ratings dipped sharply prior to his Sept. 15 announcement of further troop cutbacks.

"At first I thought it would flop," said one of the National moratorium leaders, David Mixner. "I thought people were beyond this. But now I see it's going to be very successful. People have just had it with the war and they are willing to try just one more reasonable thing to stop it."

The idea of a nationwide moratorium originated in Massachusetts with a group called "Mass Pax," as they began searching for ways to revitalize the antiwar protests.

Former McCarthy campaign aide, Sam Brown, seized upon the idea as the new tactics that were needed. In June, Brown and David Hawk of the National Student Association opened a small office in Washington and began to organize the Oct. 15 demonstration.

The Vietnam Moratorium Committee has grown considerably since then. It now occupies an entire floor of offices, has a full-time staff of 31 and a network of 7,500 organizers across the country. Some 1,500 letters of support pour in daily, with contributions totaling nearly \$1,000.

Mixner, a veteran of the last McCarthy era, explained, "We're seeing the benefits of the McCarthy campaign. You call four people in Iowa, and you don't have to tell them what to do. They know how to organize, get up literature, deal with the press, rent halls. They know how to handle it."

The season's first demonstration is set Wednesday through Saturday in Chicago with a theme of "Bring the War Home."

The idea is to try to convince President Nixon that the majority of Americans favor an immediate Vietnam pullout, and that administrative

orders of draft reductions have not defused the antiwar effort.

Nixon, in a Sept. 28 news conference, claimed that demonstrations will not inhibit his actions or in any way influence his Vietnam policy.

Brown, also one of the organizers of the Oct. 15 national moratorium, replied, "It is the kind of rigid stance which contributed so much to the bitterness of debate during the last days of the Johnson administration."

The new Senate Republican leader, Sen. Hugh Scott, called for a 60 day moratorium on public criticism of Nixon's war policies, which would have included the three dates set for massive demonstrations, but the bill failed in the Senate. If any results came of the proposed legislation, they may have been to increase Congressional support for the Oct. 15 moratorium.

Plans for the Oct. 15 action call for local events to emphasize anti-war support.

The Nov. 15 movement outlines a nationwide protest of high school and college students accompanied by community demonstrations.

The march on Washington, scheduled for Nov. 14 will be highlighted by a 36-hour "march against death" led by Mrs. Martin Luther King. The final event, sponsored by the New Mobilization Committee to End the War in Vietnam, is expected to draw 45,000 people.

While the majority of the Oct. 15 action will take place on campuses, the events with the most impact will be occurring elsewhere with the participants other than students.

In Washington, the Senate Foreign Relations Committee plans a week of hearings on the war calculated according to Chairman J. William Fulbright, to help President Nixon "out of the Vietnam morass."

Secretary of State William Rogers and Secretary of Defense Melvin Laird have been invited to testify before the committee. The five days of hearings are scheduled to be broadcast and televised.

Moratorium schedule

Monday
Cather-Pound cafeteria, 7 p.m.—Edgar Pearlstein, Professor of Physics; Bill Campbell, Assistant Professor of Physics; Alan Siporin, Moratorium steering committee.

Tuesday
Harper-Schramm, 7 p.m.—Dan Schlitt, Associate Professor of Physics; Ivan Volgyes, Assistant Professor of Political Science; Siporin.

Wednesday
Abel-Sandoz, 8:30 p.m.—Schlitt, Volgyes, Siporin.

Thursday
Faculty and student speakers: Pearlstein, Campbell, Volgyes and Dr. Robert Narveson, Associate Professor of English and Dr. Loren Casement, Assistant Professor of economics, representing faculty. Siporin and Dr. Robert Keohane of the national moratorium will also speak.

Friday
March, following 13th Street to K, then to the state capitol for memorial services.

Saturday
Wednesday Evening 8 p.m. Nebraska Union Teach-in on Vietnam.

Pendulum swings toward dissent at NU

by Carol Anderson-
Nebraska Staff Writer

Vietnam war dissent at the University of Nebraska has sprouted from virtual nonexistence to an almost commonly held campus attitude, but its growth has been neither steady nor constant.

The war was hardly an issue at the University until it was adopted by the Students for a Democratic Society (SDS) in the autumn of 1965. Some individuals had questioned U.S. foreign policy earlier, but significant campus opinion failed to focus on the issue.

One early doubter was student Allen Gerlach whose article appeared in the Daily Nebraskan Jan. 13, 1965, shortly before former President Lyndon B. Johnson landed marines and began bombing North Vietnam.

Gerlach lamented the "tragic deaths of over 300 Americans in Vietnam" and described the Saigon government as "undemocratic and oppressive."

"The silence of the American people has had a great deal to do with the tragedy in South Vietnam. In no small part it has made that tragedy possible."

A few students were disgusted with their fellows' preoccupation with what they considered trivialities while the Asian conflict raged.

In a letter to the editor titled "Solutions for Vietnam" a group called the CLAMS suggested that America do the following:

"Introduce the idea of building homecoming displays for the big

homecoming battle. The Viet Cong will spend so much time and effort that they will either die of crepe paper poisoning or flunk out of the war."

"Pull out the marines and send in the Fiji pledge class — they have extensive training in defoliation of vines, cleaning out massive fortifications and avoiding attack from crazed neighborhood savages."

In the fall of 1965 Carl Davidson and A Spangler arrived on campus as graduate students in philosophy and organized the Nebraska chapter of SDS. SDS sponsored a Vietnam teach-in Oct. 15-16 in conjunction with the University of California-based International Protest Days.

To promote the teach-in and assuage the fears of those who distrusted SDS, Davidson, who left the following year to become national SDS vice-president, said, "The purpose of SDS is not riot and disobedience because there is no reason for riots as long as the channels are open."

SDS described the teach-in as "a smashing success" in which both sides of the issue were discussed. Several of the issue were discussed. Several faculty members took part in the debates.

One of the SDS teach-in organizers was graduate student Jim Hubbert who is currently a University philosophy instructor. He is no longer associated with SDS.

Reflecting on the results of the teach-in Hubbert said, "People learned things, but there was no upsurge of antiwar feeling. Then the dominate

opinion was to be for the war. The domino theory was still being debated. We were surprised that many came and were either neutral or favorable to it."

Most faculty members and asun avoided taking sides, he recalled.

Following the teach-in SDS stepped up its pamphleteering activities, Hyde Park appearances, letters to the editor and button selling.

Although 90 per cent of SDS literature was anti Vietnam, Hubbert said, no swell of support occurred among students for SDS policies.

The following year campus views on Vietnam showed signs of polarization. The controversy stirred the Daily Nebraskan's editorial dander.

"The Daily Nebraskan objects to any type of demonstration or campaign, no matter how funny, which does not put Nebraska's students firmly behind the men who are fighting — regardless of the policy."

"The Daily Nebraskan feels that the best way to end this war now and bring North Vietnam to a fair treaty is with bombs and air attacks."

In three years and six editors the tone of Daily Nebraskan editorials has changed considerably. So has student opinion.

These events served to focus the picture of Vietnam more sharply and paved the way for University student participation in Wednesday's moratorium.

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