

Economist criticizes 'inflationary psychology'

By Marian Lucas

The American economy is "treading a fine line between a full-fledged recession and a galloping depression," according to Melville J. Ulmer, professor of economics at the University of Maryland.

Ulmer, former economic consultant for the U.S. departments of State and Labor and for the Interstate Commerce Commission, spoke on "The Paradox of Instability" Wednesday at the invitation of the University Convocations Committee and UNL's Department of Economics.

Ulmer said the nation is undergoing severe inflation and is experiencing the greatest rate of unemployment since post-World War II. He added that all except farm prices have risen and that Americans have developed an inflationary psychology, that of anticipating a price increase.

"Prices have gone up every year since World War II except in 1949," said Ulmer, adding that the United States has not been close to full employment at any time during that period.

Roller coaster

Ulmer, author of eight books on the economy, said in the past 30 years the economy has followed a predictable and repetitious pattern, like that of a roller coaster. Each time the economy expands inflation develops and its curve is increasing dangerously in upward and downward motions, Ulmer said.

"The basic cause of inflation is the imbalance in

demand and supply's structure with labor being the most important service," Ulmer contended.

A change in direction, he said, would be of great psychological importance and national concern. But, Ulmer warned, this change could not evolve too quickly because it would cause a rise in inflation and would eventually stimulate a recession.

Ulmer, who has worked extensively on a long-range study dealing with economic planning, presented a program which he claims could provide American with a stable economy. This, he added, would decrease the rate of inflation and increase unemployment in the private sector.

An announcement by the government that it would confront inflation's problem would dampen the level of aggregate demand, Ulmer said.

Tax increase

He said his program further calls for the placement of three million people in public employment. In this

way, Ulmer said, inflation would be reduced and full employment could be maintained.

Housing and health subsidies wouldn't be as great with the initiation of his proposed program, he added.

With the employment of these people, Ulmer claimed, a transfer from the nation's treasury to the newly employed would be inflationary, thereby increasing incomes of producers.

He continued that the only way to offset this would be a \$12 billion increase in taxes so that tax payers would reduce their spending by \$9 billion. Ulmer said in this way full employment would be achieved without inflation.

The economics professor said with the implementation of this program, government could afford to finance environmental protection projects, city planning, care for the elderly and urban transportation.



Melville J. Ulmer, professor of economics at the University of Maryland.

Pub Board meets to pick new editor

The UNL Publications Committee will meet at 1:30 today in the Nebraska Union. The agenda includes selection of the fall Daily Nebraskan editor-in-chief, selection of an interim Publications Committee chairperson, salary recommendations for the Daily Nebraskan advertising coordinator and discussion of a recent request for information from the Council on Student Life.

A copy of the agenda is posted in the Daily Nebraskan office, Union 34. All interested persons are invited to attend the meeting.

Report to examine water purity

By Jim Zalewski

Lincoln officials have not shown great concern over the presence of suspected cancer-causing chemicals in the city's water supply.

Lee Blocker, director of the city water department, said the report issued by the Environmental Protection Agency (EPA) was not informative or specific enough to cause the department to take action.

"They determined that our supply has something like four micrograms of chloroform per liter of water," he said. "But they didn't tell us if that was a significant amount or not. The proper amounts of certain chemicals in the water can be good."

The EPA surveyed 79 cities nationally. Results ranged from a high of 309 micrograms of chloroform per liter in Huron, S.D. to a low of 0.2 in Tucson, Ariz.

Checked daily

Lincoln's water, which comes from Ashland and area wells, is checked several times daily for content and residuals of chemicals, Blocker said. Analysts carefully examine the water, being

especially careful in looking for excessive amounts of fluoride, iron and manganese, he said.

In addition, UNL biologists take several samples of the Lincoln water supply daily and check for abnormalities, Blocker said. An independent laboratory staff also is hired once a year to do a complete analysis of the water supply.

The UNL samples, approximately 279 per month, cost \$1.50 each, he said. The lab analysis, which is public information, costs approximately \$200 each year.

Blocker said the use of detection equipment more sophisticated than that used by the city may have led to the detection of chemicals not previously spotted.

\$360,000 machine

"The EPA may be using a spectrometer that costs in the neighborhood of \$360,000, while ours is a \$25,000 machine," he said. "It takes a machine like they have to find chloroform in such minute amounts. A \$25,000 machine just won't do the job they want it to."

Since the EPA is the only agency that

has a machine capable of testing water so carefully, no one else can tell if the agency's facts are wrong or not, Blocker said.

"The EPA study didn't cost the city anything, but I don't know what it cost us in public confidence," he said. "I felt it was very uninformative. They won't know until June if the amounts they found are harmful or not. The EPA shouldn't release these facts until they have complete information."

Stan Wieczorek, area executive director for the American Cancer Society, said his office has not received any communication from the national headquarters concerning the chemicals in Lincoln's water supply.

"Right now, it is nothing to be concerned about," he said. "We are spending our time on more important matters."

Gary Hergenrader, interim director of the School of Life Sciences, said the tests run on samples of Lincoln water usually do not detect chloroform.

"The level of chloroform is so small, it is tough to pick out," Hergenrader said.

Life sciences plan field training near Ogallala

Life science students will be able this summer to take some courses at the Cedar Point Biological Field Station near Ogallala, rather than at UNL, according to Prof. Gary Hergenrader, interim director of the School of Life Sciences.

The field station is on Lake McConaughy east of Kingsley Dam nine miles north of Ogallala.

"The location is ideal for biological study and research because of the variety of environments. There are wet meadows, marshes, flood plain forests, streams, ponds, rivers and sandhills a few miles away," Hergenrader said.

Course offerings for the first session are helminthology, ichthyology and protozoology. Second session aquatic microbiology, aquatic plants and phycology will be offered. Prerequisites for most of the courses are 12 hours of biological sciences,

Hergenrader said.

Students may register for one or two of the four-hour courses and combine their studies. Each class will meet two full days per week and students will live on the campgrounds during the session. Room and board is \$209 per session and resident tuition and fees will be \$198.50 for eight hours, \$95.50 for four hours.

Subject matter in the courses will be the same as that covered in summer courses in Lincoln, Hergenrader said.

"The field study will be intensive and will enable students to concentrate on applications of subject matter," he said. "There is also the possibility of using the facility for graduate research work continuing into the fall."

"Our staff is enthusiastic about this opportunity," Hergenrader said. "They think it will be a good

chance to study life science principles and apply them to study in natural habitats."

The camp was leased from Cedar Point, Inc., of Ogallala in early April and was formerly a Girl Scout camp. Last summer Doane College (Crete) used the camp for summer language classes.

Hergenrader said he first learned of the vacant camp about a year and a half ago. The NU Board of Regents approved the five-year lease at its March meeting.

Students planning to take courses at the camp are required to deposit room and board with the bursar before they will be allowed to register.

"This will give us some idea how many are committed to attend and will allow us to work on a first-come, first-served basis," Hergenrader explained.

He said registration will be limited to 40 students per session.