



Photo by Mitch Hrdlicka  
 These UNL professors, like most economists, have widely divergent views on the measures needed to set our economy straight. They are, from left: Bert Evans, Jerry Petr, Campbell McConnell and Wallace Peterson.

## Professors call for fundamental economic change

By Alice Hrnicek

The Great American Dream of bathing in a glorious living standard may quickly become a post World War II fantasy, according to several UNL economics instructors.

With the persistence of high double-digit inflation, unemployment and falling productivity, at least two of the four instructors interviewed call the centuries-old unequal distribution of income a root of the other economic ills.

None of them agreed with the presidential candidates' economic proposals, especially tax cuts, which would create only a short-term solution, they said.

Although the economists did not fully agree on remedies for the nation's ailing business activity, all but one said only fundamental reforms of the system's

structure could bring about a stable future.

Jerry Petr, associate professor, predicted that unemployment would decrease within a year, but that inflation will stay above 10 percent because of built-in wage increases.

**PETR SAID** that governmental economic reform is the best way to equalize income distribution, but that other alternatives are more attractive to the public because it is on a "privatist kick."

"If we do nothing about income distribution, ultimately change will be forced on us," Petr said. "The question is how intelligently we will change."

However, Prof. Campbell McConnell blamed the Oil Producing Economic Community (OPEC) and high government interest rates for lessening the nation's control over its economic future.

"We're less and less able to control our own economic fate," he said. "That's a lot different than just 15 years ago."

McConnell countered that income distribution has not contributed to present-day hardships since it has remained stable for several decades.

The automobile industry's struggle to create smaller, gas-efficient automobiles to make up for a loss in demand for the larger types, has been complicated by rising OPEC prices and foreign competition, McConnell said. There is pressure for the industry to make this transformation quickly.

**McCONNELL SAID** high interest rates plagued the housing industry, which has spurred inflation. The housing dilemma can be improved only with a drop in interest rates, he said.

Prof. Wallace Peterson pointed out that the automobile and housing difficulties are indications of deeper problems, related to an inability of Americans to adapt to new times.

"American industry has a hardening of the arteries," Peterson said. "No one is looking deeply at the structure. That might mean looking at fundamental changes in the relation of government and the economy. We don't want to do that now."

Although he believes that the economy will bounce back from the current recession, he says it will not be a vigorous recovery.

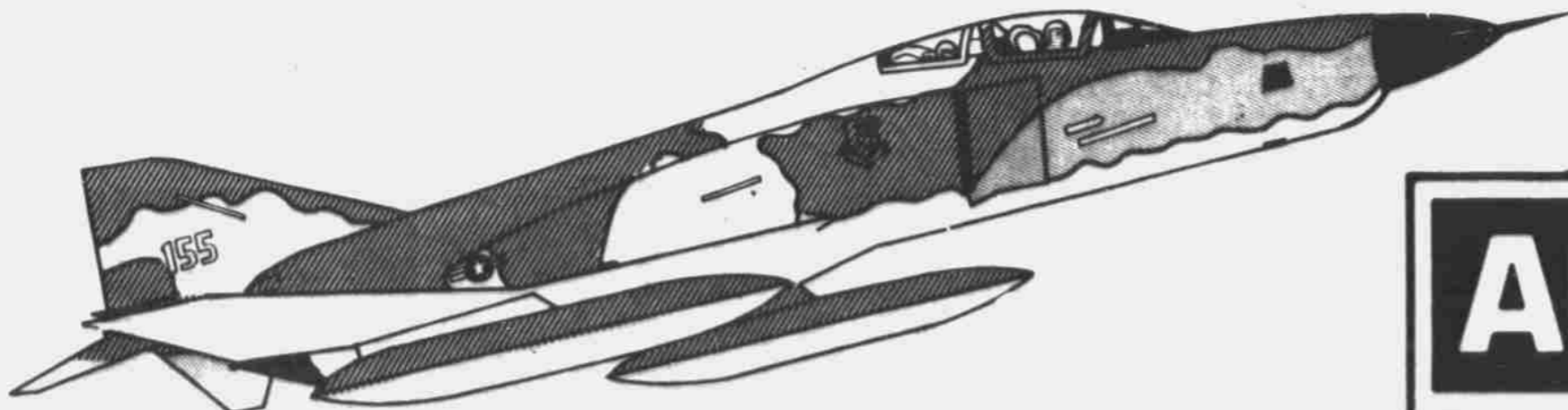
"We're at the end of an era, of post-war growth. Now we're in a time of scarcity that is different from the past," he said. Following Keynesian remedies is "pursuing an illusion."

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