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Alfred E. Kahn

Photo by Jodie Fields

Alfred Kahn says curing 'stagflation' won't happen with Reaganomic policy

By Chris Welsch

Ronald Reagan "dropped the ball" when it came to his federal budget cuts of need-based programs, according to Alfred Kahn. Kahn, a former inflation adviser to Jimmy Carter, is an economics professor at Cornell University.

Kahn spoke in the Nebraska Union Tuesday as the final speaker of the College of Business Administration's visiting scholars program.

Kahn said Reagan's policies aren't distributing tax dollars in accordance with the U.S. system of social justice.

Cut safety net

"The president has breached the social safety net (the poorest 6 percent of the nation) by cutting the value of food stamps and reducing not only the amount of money available for public school lunch programs, but also the nutritional value of the remaining lunches," Kahn said.

Kahn said eliminating the mortgage tax break would create needed revenue.

"America is the only major industrial nation that allows a tax-break on mortgage interest. If that tax break were eliminated, the cuts on need-based programs would not need to be so extreme," Kahn said.

Kahn said Reaganomics is not without virtue.

"The \$37 billion in non-defense tax-cuts is a major achievement politically and economically," he said. "However it is not true that Reagan has achieved a tight budget."

The large increase in defense spending offsets the \$37 billion savings and will create a larger budget deficit, Kahn said.

Inflation will return

Kahn predicted the current recession would ease soon, but inflation will return with higher production rates.

"The problem is not inflation, it's stagflation," said Kahn. "By trying to solve inflation with recession, we create stagflation — high unemployment and low production. As soon as growth resumes, inflation will take off again."

"The result of the frustration (both of industry and workers), social tensions and the pressure to spend inescapably produces stagflation and recession," Kahn said.

Kahn said the causes of inflation are numerous, which accounts for the many different views on how to curb it.

"We can tighten the money supply, but that doesn't

mean people won't be able to find capital," Kahn said. "Historically people have found alternate sources of capital, making a tight-money policy such as Reagan's ineffective."

According to Kahn the outlook for the '80s economically is bright.

"The economy has so much potential for growth if too many demands aren't made on it," he said.

"The growing awareness of the public that inflation cannot be blamed on government or industry alone is resulting in wage give-backs, and a greater degree of responsibility among the work force," he said.

Workers are developing a mutual interest with management about product quality and quantity. This shows a recognition of inflation as everyone's responsibility, Kahn said.

Larry Walklin claims faculty salary survey will have little impact

By John G. Goecke

A federal government study showing that UNL faculty salaries rank third highest among Big Eight schools will have little impact, the president of the UNL Faculty Senate said Monday.

Larry Walklin, who is also chairman of the broadcasting department in the School of Journalism, said the study, based on the Higher Education General Information Survey, is not the report UNL officials use to compare faculty salaries.

UNL regulations require that the Association of American Universities Land Grant Survey be used for salary comparisons and negotiations. The AAU survey is more useful to UNL officials than the Higher Education Survey, Walklin said. The AAU survey is based on information collected from 50 state-supported land-grant colleges that offer educational courses similar to UNL's. The Higher Education Survey compares only the Big Eight schools, all of which do not have educational programs the same as UNL's, he said.

To use the Higher Education Survey to compare faculty salaries would be like comparing a four-wheel drive truck to a standard car, Walklin said. Just as the vehicles are too different to compare, the same is true of some Big Eight schools and some land-grant schools, he said.

The Higher Education General Information Survey is an annual report prepared by the U.S. Office of Education. The *Omaha World-Herald* used the survey as the basis for an article that said UNL faculty salaries rank second highest in the Big Eight. After the article was published, faculty senate members requested that the UNL Institutional Research and Planning Office examine the report.

In a report issued to the faculty senate April 20, Bill Todd, research analyst for the UNL research office, said he found inaccuracies in the *World-Herald* article.

The conclusion in the *World-Herald* article, that UNL salaries rank second in the Big Eight, was inaccurate because the average salary was figured incorrectly and nine- and 12-month academic years were compared as equals, Todd said.

Todd's report, using the same Higher Education survey figures, said UNL ranks third within the Big Eight instead of second. The average faculty salary reported by Todd was \$26,848 for academic year 1981-82.

Based on a nine-month period, a UNL professor received an average of \$32,244, an associate professor received \$25,067, an assistant professor received \$21,108 and a teaching assistant received \$14,677.

The Chancellor's Salary Study Committee, which helps prepare UNL's portion of the AAU Land Grant Survey, will issue its report on faculty salaries today, said Patricia Knaub, committee president and associate professor of Human Development and the Family. Knaub said she was not familiar with the Higher Education Survey information and declined to comment about it.



Photo by Dave Bentz

For some people, like the owners of this home at 210 N. 22nd Street, it's not who you vote for that counts, it's just that you get out and vote.