

Weather

Clear to partly cloudy and mild today and tonight. Southerly winds 8-14 mph. Partly cloudy and warmer Saturday. High today 75; low tonight 49; high Saturday 73.

The Battalion

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Today is the deadline for interim editor applications. The interim editor will take responsibility for the issues of March 6 and 7. The Battalion editorial board would prefer an editor from student organizations which deal with The Battalion on a day-to-day basis. Editor will be announced Feb. 17.

'Government is destroying freedom' Friedman zaps fed fiends

By T. C. GALLUCCI
Staff Writer

Before a capacity crowd in the Rudder auditorium yesterday, Milton Friedman, renowned economist, blasted the U.S. government for denying Americans freedom of enterprise.

"American people must wake up to the fact that if not checked, the government will not only waste their money, but more importantly, will destroy their freedom," said Friedman, in a speech on "The Future of Capitalism" for the Student Conference on National Affairs.

The short, balding economist defined a capitalist as anyone with control over capital. He told the audience that every A&M student is a walking bundle of capital. "Each of you is worth \$500,000. In fact, that is in 1971 and 1972 dollars. In 1975 dollars you are worth maybe \$1,000,000 or \$2,000,000." Amid the laughter and applause, Friedman then said that each Aggie is a potential millionaire.

"I was asked to discuss the question of the future of capitalism," Friedman said, "but the real question is what the future of free enterprise is. Free enterprise in its truest sense means that anyone is free to set up an enterprise."

Watch for an ECONOMIC REPLY on this speech, Tuesday.

"Therefore, the real question is, what is the future of freedom? Never was there a place where free enterprise was destroyed and human freedom was not destroyed also. This kind of freedom cannot be entirely eliminated," said Friedman.

Friedman then used the example of the Soviet Union to clarify his remarks. "It has been impossible for them to exist without permitting free enterprise to exist. Unknown to some, farmers in the Soviet Union are allowed to have a private plot of land which they have complete control over. Three per cent of the country's food supply. No society has been able to exist without free enterprise."

"We must talk about the past and present to be able to know the fu-

ture," he said. "We in the United States have moved far away from free enterprise."

"In the United States today there is no true enterprise," he said. "You need government permission to set up a bank. You need permission to become a lawyer or a physician or a wrestler. To be a beautician or a mortician in many states you need government permission. Even to deliver mail, you need to have permission from a government official."

"In this country, a person is not free to set up an enterprise without the permission of the government. Freedom in the sense of free enterprise and personal freedom is greatly restricted," said Friedman to a round of applause.

Friedman told the crowd that there are two things to know in order to measure the degree of socialism in the U.S.:

1. "Know one fraction. Know that 40 per cent of whatever a person earns is spent by the government for him. That is to say that the government is a 40 per cent partner in any transaction two individuals take part in."

2. "Know that the United States government owns 45 per cent of every corporation. For every dollar earned, 45 cents goes to the government. Of every dollar lost, 45 cents is borne by the government."

SCONA delegates, students and faculty listened as Friedman told them that they lost their personal and human freedom when they lost the freedom of enterprise.

"We have also lost the freedom of speech and our other historic freedoms. For example, no businessman will lambast a President's proposals. If he does, maybe the Internal Revenue Service will check his returns the next day. There is silence among businessmen concerning controversial subjects."

Professors and students do not criticize government because many are receiving grant money from the federal government, he said.

"The small group who will criticize are like me. A tenured professor in the social sciences that is not receiving any money from the National Science Foundation," said Friedman, grinning.

Friedman remarked that the 19th century, between the Civil War and

World War I, was the closest the U.S. came to enjoying true free enterprise. He said the 19th century, as most believe it to have been, was a myth. Friedman claimed that the only truth to the myth is that it was indeed a time of rugged, unrestrained individualism.

When speaking of the tremendous surge in immigration during this period, Friedman asked, "Did these people come to be exploited? There is no better signal to which place is better than by the vote of their feet. This is shown by the steady stream of immigration."

"Only by the individualism of the 19th century, said Friedman, have we become so fat and able to support the government in the money it wastes."

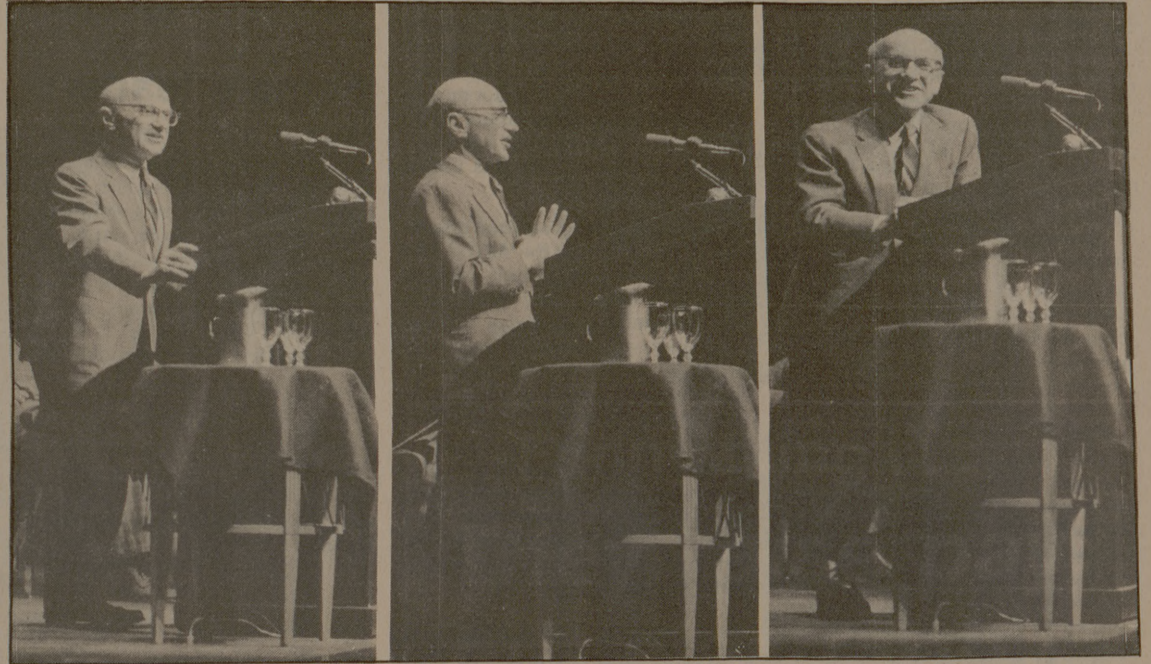
"The 1900's-1920's was the period of great intellectual movement. Socialism was regarded as the be-all

or end-all of policy. The most active political party of the time was the Socialist party. Although it won no elections, all of its platforms have since been enacted."

The essential catalyst that brought a dramatic shift from a period of individualism to a period of growing collectivism was the Great Depression. Friedman claimed that the Great Depression was the direct result of government mismanagement of the money supply and not attributable to any failure of free enterprise.

"It did have the effect of creating misery and distress and of making the people willing to accept very drastic changes in arrangements. In the 1930's we shifted our philosophy of government. Prior to that point, the general view had been that the government was an umpire, that it

(See FRIEDMAN, p. 4)



Before a very captive audience, Milton Friedman gives his views on economy.

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Bureaucrats, like goblins, will 'getcha'

By PAUL McGRATH
Staff Writer

Dr. Milton Friedman, professor of economics at the University of Chicago, denounced governmental growth for causing the destruction of free enterprise and personal freedom, Thursday.

Friedman condemned the tendency of government to listen to special interest groups insisting the only way to cut spending is to spend on them. Thus, instead of cutting back funds, government spends on each group.

He said he believed this standard approach is the inherent reason for government growth. "And it will not be easy to check that tendency. We will check it if and only if the American people will wake up to the fact that if it is not checked soon, it will not only waste their money, but far more important, it will destroy their freedom."

Friedman, brought to Texas A&M by the Great Issues Committee and the Student Conference on National Affairs, is considered by

many to be America's foremost economist.

Following his speech on the future of capitalism in America, Friedman conducted a question and answer session.

Friedman was asked about the 1929 depression and his statement that it was based on government mismanagement. Friedman said the depression had to be divided into two parts. One from 1929-30 which he described as a "garden variety recession." It was then converted into a major depression by the collapse of banks. The fundamental item that changed it into a depression was that the Federal Reserve System allowed the money supply to drop by almost one-third. He says the Federal Reserve System had the power to avoid such a contraction in the money supply and if it had, the depression would never have been as deep as it was.

Friedman compared the relationship of developing nations who use the free enterprise system to those that do not. He said the great

tragedy of those nations lacking a free enterprise system is the extensive use of socialism.

He named India as a prime example. In the 19th century, India used the free enterprise system and now is using social collectivism which is "holding down the ordinary people."

The free enterprise system of the United States aids other nations with free enterprise systems by offering them free trade and open markets. Harm was done to other nations unintentionally by the misuse of American foreign aid programs. Their governments have been strengthened from the aid programs and have used them to squelch private enterprise.

Asked if it was the right of a government to restrict big business, Friedman said freedom of speech and personal freedom could only be kept by the existence of alternative jobs. If government was the only employer there would be no freedom. Thus, other businesses, whether great or small, must exist to

maintain freedom. Restrictions must be made on institutions to protect the rights of those who create the government.

Friedman exploded the myth that the Gilded Age was an era of robber barons who controlled government. He said the government did not have enough power to be exploited and the common man improved his lot to a great degree during that time because there were many small businesses at which he could work. Friedman said that big busi-

ness today has more power over Americans under the present government than at any time during the nineteenth century.

"Do the statements of public officials have any bearing on the economy?" was the next question. Friedman answered, "None." He said what went on behind closed doors on Constitution Avenue had more to do with the present recession than all of the public speeches President Gerald Ford, or anyone else, has made.

Foreign student tuition increases

AUSTIN (AP) — A Senate committee approved a bill Wednesday that would raise tuition for foreign students at Texas colleges by \$26 a semester hour.

The Legislative Budget Board estimated that the bill would provide an extra \$8.6 million for higher education over the next two years.

The proposal raises tuition for foreign students from \$14 per semester hour to \$40, which is what a student from another state who is

attending a Texas college pays now.

"They (foreign countries) charge us enough for oil. We ought to get back a little," said Sen. W.T. Moore, D-Bryan, the bill sponsor. Moore said Texas A&M, which is in Moore's district, "thinks it ought to pass."

Sens. Lloyd Doggett, D-Austin, and Chet Brooks, D-Pasadena, voted against the proposal, which was approved for floor debate by the State Affairs Committee.

Teague: feds must unify to get programs passed

By STEVE GRAY
Staff Writer

Congressman Olin E. Teague of College Station said Thursday the country will get nowhere if President Ford and the Congress don't quit

squabbling over Ford's economic-energy program.

In a press conference at the Ramada Inn Teague said it will take sincere efforts on both sides if the nation is to recover from the present

recession.

"I just wish Ford would quit saying 'I won't compromise,'" Teague told reporters. "I don't think he's all wrong but energy is the most debatable topic we have now. Both sides are

going to have to bend some if we're going to get some answers to these problems."

Teague said some of those answers may lie in extensive studies of alternate energy sources.

"It's too bad we haven't done more research in the areas of solar and geothermal energy," he said. "We've also got to do more study on efficient uses of coal."

The Congressman said the government must step up programs cutting federal spending and open up employment opportunities.

"I'm not sure whether or not the job market is going to be as bad as the President predicts," Teague said, "but I certainly favor programs that will give people a chance to work and get off welfare."

Teague said he agrees with Ford's plan to curtail certain federal expenditures by \$17 billion.

"I'm not going to vote for a dime's increase in the salary of any federal employee," Teague emphasized. "You've got to start somewhere and I think salaries is one place."

He said he was willing "to give Ford's economic-energy program a chance," which also calls for a \$16 billion tax reduction or rebate. But Teague said he wasn't sure just where the tax break should come in a specific salary range.

The President's foreign policy calls for an appropriation of \$522 million in aid to South Vietnam, which Teague said he will probably vote against.

Teague, formerly chairman of the Veteran's Committee for 12 years, said he favors eliminating GI benefits

for all future veterans. White House officials proposed such a measure Thursday but any cutoff of education benefits would not affect anyone now eligible.

"The Vietnam War's over for us," Teague said, "so why should we continue paying future vets thousands of dollars a year for 18 months of service. Present veterans are concerned about the rise of benefits in the past six to seven years from \$7 billion to \$16 billion. I expect the President will cut off some of those benefits next month."

Teague termed Ford's amnesty program as "a failure" because the number of unconvicted deserters and draft evaders signing up for public service jobs has declined recently.

Teague told newsmen he is looking forward to meeting with the Russian ambassador next week to discuss the joint Soviet-U.S. space mission. The flight project is scheduled to begin July 15. Teague is chairman of the House Science and Astronautics Committee.

Teague emphasized he has not changed his stand on the controversial Millican Dam issue.

"I have supported the proposed dam in that area for 25 years," he said, "and I don't intend to back down. I think there is no question that we need it for water resources."

The project, authorized in 1954, involves construction of a flood-control reservoir on the Navasota River. Landowners in the area, including the Navasota Landowners Association, have opposed the project site but supported moving it to another site about 30 miles north of the original Millican site.

Funny thing . . .

They raise pay, but slash jobs

By JUDY BAGGETT

It might be a little harder to find a job on campus now because of the recent state pay hike.

All university employees will receive the raise from Senate Bill No. 1, R. Clark Diebel, controller of accounts, said Wednesday. The bill only furnishes money for a part of those getting the raise. Areas not covered by the legislation will receive a raise with money taken from the departments' surplus funds.

A February 6 memorandum from President Williams said "efforts should be made to arrange necessary funding." He suggested departments delay filling vacant positions and not create new ones.

Williams also suggested departments delay major expenditures, curtail merit increases for the rest of the fiscal year and postpone position reclassifications.

Those not included under the legislation are the service department and revolving funds, auxiliary enterprises and activities and restricted funds.

"Departments will have to rework budgets," Diebel said. "It takes a lot of squeezing sometimes." Of the approximately \$93 million appropriated, A&M receives \$4,072,000. Not all of the money goes for the raise, however. There will be an increase from 12 cents to 16 cents per mile in travel reimbursement. Per diem pay went from \$18 a day to \$22.

The bill also calls for an increase in state participation in group insurance premium for employees. The increase is \$2.50, going from \$12.50 to \$15.

The raises will be:
\$5.04 — 13 percent increase
5.05 — 7.31 — 66 cent increase per hour
7.32 and up — 9 percent increase



Teague (L) talks with University Information Director Jim Lindsey (C) and Justice of the Peace B. H. Dewey.