

The Aggie forum

RUB A PUB PUB

The price of getting plastered

By MARK RANKIN
Does anyone remember Whiskey Bridge? For the uninitiated, Whiskey Bridge was a makeshift liquor store just across the Brazos River which saved many an Aggie from many a night of sobriety back in the dark ages, when prohibition lingered in College Station. As I remember, the establishment was run by a kindly couple who hadn't taken enough economics to know what a commanding position they had with respect to the Aggies. They had, in effect, monopoly power but didn't know it. We appreciated Whiskey Bridge, especially those of us who weren't of age. To make a long story short, however, Whiskey Bridge has gone the way of the Chicken Ranch. Murdered. Unlike the Ranch which fell prey to the man with the blue hair, Whiskey Bridge was the victim of a highly efficient henchman that we have come to know as the market. It is not coincidence that Whiskey Bridge came falling down shortly after the advent of wetness in College Station.

During the last three or so years, the A&M community has seen the development of a liquor market, loved by some and hated by others. There is no telling how much of a monetary significance has been felt as a result of the introduction of the market, but we can assume that it is great. We can at least assume that the liquor industry has helped to pay the salaries of the College Station Police. At any rate, it is safe to assert that the advent of the booze market has had a decided effect on the social and economic well being of the community.

It is fairly obvious what the student reaction has been to this new-found friend. For the most part they have gone berserk, but let's look at the supply side of the question; how has the booze market reacted to the students. At present there are about seven booze parlors located within a close proximity of the campus, not counting those places which serve

food primarily. Of these, at least three are establishments which should be considered booze clubs as compared to the booze joints which comprise the remainder. This is an important differentiation since we would expect prices to be higher in the clubs than in the joints, and, in essence, these actually comprise two separate markets. The bulk of the club market consists of girl and boy Aggies engaged in the date. In the joint market, however, we are more likely to find free-lance drinkers. Other characteristics of these markets include the fact that more students tend to enter as the day progresses and similarly, as the week progresses. Demand for liquor seems to be at its low early in the day on Monday, reaching its peak late Saturday night. In terms of economics, we can say that the elasticity of demand for liquor is high early in the week becoming more and more inelastic as the week goes on. As we will see, this has a profound effect on the price of that commodity. Superficial observation

Superficial observation would present us with the opinion that the price of getting smashed is fairly constant throughout the week. After all, the owners of these establishments don't lower or raise prices according to the relative demand... or do they? They do in fact, and we can argue that those who do not either don't understand how to increase profits, or possibly they have priced their product in such a way that they are comfortable with their margin and the increased revenue doesn't mean that much to them. This practice of varying prices often goes un-noticed for what it is. In fact the practice is more often considered as benevolence or cruelty on the part of the bar owner.

HOW THE OWNERS LOWER PRICES AND INCREASE REVENUE

At times when market demand is low and relatively elastic, the liquor

monger can lower his prices, and because of the relatively horizontal nature of the demand curve, the increase in the quantity demanded will more than outweigh the drop in price resulting in a net gain to total revenue. Most commonly this price cut comes in the form of the "Happy Hour" (presumably so named because the owner is reaping greater total revenue than he would at the higher price.) The most rational of the Happy Hour gimmicks is the one where you "buy one and get one free". This is essentially the same as cutting the price in half with the added advantage being that if the customer decides to leave after "buying one" but before "getting one free", the bar owner is just that much better off since the customer has paid for two drinks, declining to drink the latter. If you will think about it there are many instances where local establishments cut prices in this and similar manners but you will also notice that when they do it is during a slack time when the relative elasticity of demand is high. Believe me they aren't losing money.

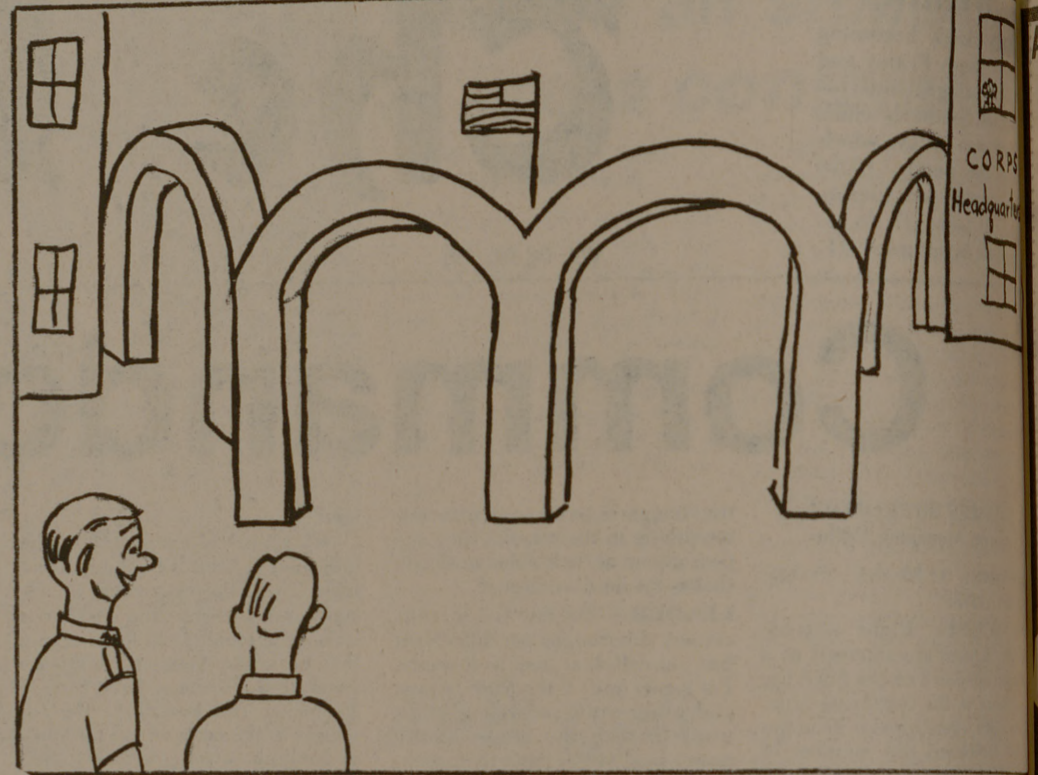
HOW THE OWNERS RAISE PRICES AND INCREASE REVENUE

By the same token, it is a fairly common practice for the owner to increase his prices at times when he may capture additional revenue by doing so. Some may care to point out that, empirically, any time the prices are raised, revenue will also rise. This, of course, is not true and we can again demonstrate with the use of the trusty demand curve. As I have said, there are times when the demand for liquor is relatively great, making the associated demand curve relatively inelastic. When this is the case, the local liquor monger can increase revenue by raising prices. The effects of the higher price outweigh the decrease in quantity demanded and the total revenue rises as a result. Now ad-

mittedly it is not as common for an owner to increase prices as it is for him to lower them but we know that these prices do rise as the demand becomes more inelastic since no one keeps Happy Hour prices on into the night. This phenomena represents a relative rise in prices as the day progresses but there are ready examples of more implicit price increases above the "normal" level (if we choose to use the 8 p.m. price as the norm instead of the 5 p.m. one.) These increases usually come in the form of a "cover charge." The cover charge may seem a means to prevent free riding when a band or some other form of entertainment is present, and this may be part of it, but the cover charge is much more significant as a means of raising revenue during times of inelastic demand. In fact it has been shown that on the average more liquor is consumed when entertainment is present. This seems to indicate that the idea of the cover charge as a user fee is largely an invalid one. You may have noticed that there are no more than a few places around which actually use the cover charge but you will also note that those who do have a more or less distinct appeal and thus a more inelastic demand curve than those that are more "commonplace" and are subject to more competition which raises the elasticity of demand. It has been said that in the last three years, and especially recently, the local liquor market has become "saturated," that is it is no longer economically feasible for new establishments to come into the market, but it should be interesting to watch the behavior of this market in the next few years as the student population continues to grow. I ask that you remember one thing, the character of the market is determined by the character of the student demand. The market has replaced Whiskey Bridge, miles away, with the "hot spots", across the street. Maybe a student pub is next.

CADET SLOP

By DAVID PIERCE



Let's see — Two all beef patties . . .

Editorial

For the uninformed . . .

This editorial is for those uninformed, habitual grippers who attend this university.

A&M students tend to complain about issues from tennis courts to exotic animal heads. The Battalion is no exception, for it has often received the brunt of extended criticism. However, my two weeks spent learning how to run The Battalion for the two-day interim period enables me to be one of the few students qualified to make a judgment on the present staff's capabilities.

I have been the entire route of selecting editors, reporters, photographers and spending better than eight hours a day in the Reed McDonald Bldg. The Battalion staff gets paid nothing in comparison to the amount of work and time that is spent in preparing a newspaper for those unappreciative students.

The Batt office receives many other college newspapers in the mail each day and without a doubt, A&M's paper compares more than favorably with all of them.

All the same . . . The Battalion Staff is afflicted by a false sense of persecution that is also present in America's press today. This idea stems from their interpretation of the meaning of "freedom of the press." They interpret this as the right to print anything regardless of its impact on the jobs, reputations and freedoms of others. They feel that any restrictions on the press are violations of its freedom. However, what they fail to realize is that a completely free society is both impossible and impractical. When one person exercises his freedom, without controls, he often infringes on another's rights. This has long been an incomprehensible fact for America's press.

The Battalion staff is under the influence of this "American press syndrome," but at times does reveal "flickers of hope" in becoming a more broad-minded press which is fair to all concerned.

Considering everything . . . The Battalion staff members do work hard for a worthy cause with little compensation. I simply request that before students make any more accusations of A&M newspaper inferiority, they take the time to visit the Batt office. They will soon discover the problems and amount of time that is involved in providing a newspaper for A&M students.

DAVID KASPAR
Interim Staff Editor

Cloud 9 . . . a bird's eye view

VOTE VOTE VOTE VOTE

By WAYNE RIFE
Well, it's that time of the year again. The city elections are here and the candidates are starting to get their campaigns rolling in full steam. Now all that's left for us, the voters of this community, is to get out and vote.

There are two precincts in College Station where the majority of the TAMU students register to vote. Figures from the recent voter registration drive reveal that there are 3,900 registered in Precinct 20, which is the campus box. In Precinct 21, the Northgate area, there are a little over 2,000 registered voters. Now all of this is impressive.

It looks as if A&M students are really an enthusiastic bunch of students, interested in their local government and in exercising their constitutional right to vote. Well, the fact of the matter is that we are not what these figures show. As far as A&M students being interested in voting, it's like saying t.u. is going to lay down Saturday and give us the game.

Of the 2,905 registered voters of Precinct 20, in last year's City Council election, only 171 voted. In Precinct 21 the story was the same. Out of 1,929 registered student voters, only 88 decided it was worth their time to vote. In the May 74

primary the story was a little better, but not much. Out of the same 2,905 registered students of Precinct 20, we had a whopping increase of 15 votes to make it 186 who voted. In Precinct 21 the story was better. Ninety-four more people decided to vote, but what is 182 out of 1,929? Nothing.

Well folks, fellow students, Ags, there it is. NOW WHAT ARE YOU GOING TO DO ABOUT IT? Our national government finally decided to give 18-year-olds the right to vote. If we are as responsible as we say we are, we should at least take time to cast our ballot.

Now some of you are probably

saying, this is only a city election, its not as if we were electing the President of the U.S. But you're wrong. Anyone who lives in one area for four years is certainly affected by any decision made by the immediate government in that area.

So next time you complain about the way the city runs things, just remember it is you who didn't get out and vote. But don't wait till that happens. All that you have to do as a registered voter in C.S. is go to your polling place on April 1 and vote for the candidate of your choice. (P.S. JEALY)



'OMIGODI THEY'VE LOST THEIR EARPLUGS!'

The Battalion

Opinions expressed in The Battalion are those of the editor or of the writer of the article and are not necessarily those of the university administration or the Board of Directors. The Battalion is a non-profit, self-supporting enterprise operated by students as a university and community newspaper. Editorial policy is determined by the editor.

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Letters to the editor should not exceed 300 words and are subject to being cut to that length or less if longer. The editorial staff reserves the right to edit such letters and does not guarantee to publish any letter. Each letter must be signed, show the address of the writer and list a telephone number for verification.

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by ARTHUR MILLER

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