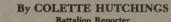
Local

Economist says central-planned economy will fail



Battalion Reporter Centrally planned economies are destined to become failures, Dr. Fred R. Glahe, president of the Economics Institution for Research and Education said Saturday at Texas A&M University.

Glahe spoke at the closing presentation of Texas A&M's Student Conference on National Affairs to about 200 SCO-NA participants in The Memorial Student Center.

Clahe, also a professor of economics at the University of Colorado at Boulder, addressed the topic of world econo-mic growth and the capitalist and socialist roles in it.

"Not until the 18th century was there material well-

being of the average Western man," Glahe said. The per capita real income in the United States has increased an estimated 15 times since 1880, he said. He attributed the economic improvement of this nation to its economic philosophy

By COLETTE HUTCHINGS

was awarded to Sharon Kuhn,

SCONA public relations commit-tee chairman at the Student Con-

ference on National Affairs closing

The Cyrus M. Johnston Memo-

presentation Feb. 14.

Battalion Reporter A \$350 memorial scholarship

Karl Marx and Freidrich Engles were two economists who believed that socialism or government ownership as a means of production was the only way for an economy to survive

'But they didn't think how the system would work," the professor said

Ludwig von Mises, another economist, questioned Marx's and Engles' socialist views. Mises, Glahe said, questioned how a society would know what to produce, how to produce and who would receive what is produced.

Oscar Lange was an economist who fought for socialism and sought to devise a planning board which would admi-nister prices of capital, labor and land, Glahe said. A former student of Mises, he argued that a "planning

board" could not tell consumers and producers what to produce and how to consume, Glahe said.

cause of his high regard for

This is the first year for the memorial scholarship. It will be awarded yearly to the SCONA

member who exceeds in his performance, intently assists SCONA SCONA member last year.

SCONA Chairman Tom Beec-

rial Scholarship was awarded to Kuhn by H.W. "Bud" Whitney, died of cancer last year, his wife wanted to set up a memorial be-

SCONA.

manager of European Manage-

Texas Instruments, Inc., France. "Cyrus M. Johnston was vice-chairman of SCONA I and worked

very hard to get SCONA going," Beecroft said. When Johnston

ment Information Systems for

Glahe said that these arguments for and against a planned economy are over 50 years old.

"It is easy to see the mistakes of having centrally-planned economies by looking at Eastern Europe, the Soviet Union and China," he said. The Soviet economy has stopped growing and is declin-ing, he said, partly because of an extremely low labor

productivity and cited widespread alcoholism as the direct cause of this decline.

He said this "plague" has caused a death rate increase in the Soviet Union and that the rate is now equal to the so-called underdeveloped countries.

"Many prominent economists today still argue that material well-being is found in planned economies," Glahe said, "but an increase in material well-being does not imply an increase in individual well-being."

"It is a dangerous myth that economists are able to forecast the future," Glahe said.

If socialism is the wave of the future, the conclusion is "we have seen the future and it does not work," he



Western aid to Third World countries was debated Friday by a eading economist, Peter T. Bauer (right) and Douglas J. Bennet, a former U.S. aid administrator. The debate was featured as part of the Student Conference on National Affairs hosted last week by Texas A&M University.

Economist says aid should be stopped

By PHYLLIS HENDERSON

Battalion Reporter Western aid to Third World countries should be stopped, a leading pnomist argued in a debate Friday with a former administrator of Inited States aid.

The administrator, in turn, called for increased aid to face the velopmental challenges of these countries.

Peter T. Bauer, chairman of the Department of Economics at the ondon School of Economics and Political Science at London Univerity, debated Douglas J. Bennet, former administrator of the U.S. agency for International Development, in Rudder Theater as part of he Student Conference on National Affairs.

"Far from accepting the proposal for massive wealth transfers, we uld work towards their demise," Bauer said to an audience of about 50 people. Foreign aid policies are based on several inconsistent rguments, he said, and can have serious repercussions in both the mor and recipient countries.

The argument that aid is needed to develop these countries "patroizes the people ... by suggesting that they crave for material progress, ut unlike the West cannot achieve it without external doles," Bauer

ic achievement has depended, and still depends, on p

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members and provides leader- gin raising \$50,000 for an Olin E. Teague endowment fund to be Kuhn has worked with SCONA used yearly to pay for SCONA

for three years and has served as speakers. vice-president for publicity. She Teague vice-president for publicity. She was selected as the outstanding Texas' 6th district representative for 31 years and attracted wellknown national speakers to the roft said the organization will be- SCONA conferences.

k's own faculties, motivations and mores, their institutions and the olicies of their rulers," Bauer said. "External donations have never een necessary for the development of any country, anywhere.

Bennet disagreed: "Aid, when used properly, can facilitate econo-nic policy choices by the recipient governments which are not only propriate and desirable in the interests of development, but which uldn't occur in the absence of the assistance.

Foreign aid does not help the poor of a country, Bauer said, because e money is put into the pockets of the recipient governments. "It is ot true," he said, "that to make the rich poorer makes the poor

Aid increases the power and patronage of the recipient government werits subjects, Bauer said. "Indeed," he argued, "to support rulers in the basis of the poverty of their subjects encourages policies of overishment

Bauer said because of these dangers, he favored untied cash grants ad bilateral aid "to enable a modicum of control by the elected presentatives of the taxpayers."

The human rights performance of recipient governments is a major sonsideration in the giving of U.S. assistance, Bennet said. Bilateral id is a good way to gain more control, he agreed, but grants tied to pecific projects allow the donating governments to retain much more mtrol than untied cash grants.

"The idea that aid helps the economies of the donors simply ignores becost of the resources given away," Bauer said. "Humanitarian relief need should be left to voluntary agencies." Bennet said: "I find Professor Bauer's argument extremely interest-ng, highly theoretical, over-generalized, elegant, entertaining and prog

He added: "The capital investment required to train people, who wough their lifetimes, as a result of their training, will be more ffective producers and earn money ... is a very hard thing to get from vate sources.

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